

FINAL OFFICIAL STATEMENT DATED NOVEMBER 8, 2021

In the opinion of Dorsey & Whitney LLP, Bond Counsel, according to present laws, rulings and decisions and assuming compliance with certain covenants, the interest on the Bonds will be excluded from gross income for federal income tax purposes. Interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax under the Internal Revenue Code of 1986 (the "Code"). In the opinion of Bond Counsel, the Bonds are "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code. See "TAX EXEMPTION AND RELATED TAX MATTERS" herein.



\$9,130,000
CITY OF MARSHALLTOWN
Marshall County, Iowa
General Obligation Corporate Purpose Bonds, Series 2021

Dated Date of Delivery **Book-Entry** **Bank Qualified** **Due Serially June 1, 2023 - 2034**

The \$9,130,000 General Obligation Corporate Purpose Bonds, Series 2021 (the "Bonds") are being issued by the City of Marshalltown, Marshall County, Iowa (the "City"). Interest is payable semiannually on June 1 and December 1 of each year, commencing December 1, 2022. Interest is calculated based on a 360-day year of twelve 30-day months. The Bonds will be issued using a book-entry system. The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The ownership of one fully registered Bond for each maturity will be registered in the name of Cede & Co., as nominee for DTC and no physical delivery of Bonds will be made to purchasers. The Bonds will mature on June 1 in the following years and amounts.

AMOUNTS, MATURITIES, INTEREST RATES, YIELDS AND CUSIP NUMBERS

<u>Principal Amount</u>	<u>Due June 1</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP Number(1)</u>	<u>Principal Amount</u>	<u>Due June 1</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP Number(1)</u>
\$600,000	2023	2.000%	0.300%	572767 A35	\$775,000	2029	2.000%	1.100%	572767 A92
695,000	2024	2.000%	0.400%	572767 A43	795,000	2030*	2.000%	1.150%	572767 B26
710,000	2025	2.000%	0.550%	572767 A50	810,000	2031*	2.000%	1.200%	572767 B34
725,000	2026	2.000%	0.700%	572767 A68	825,000	2032*	2.000%	1.250%	572767 B42
740,000	2027	2.000%	0.850%	572767 A76	840,000	2033*	2.000%	1.300%	572767 B59
755,000	2028	2.000%	1.000%	572767 A84	860,000	2034*	2.000%	1.400%	572767 B67

*These maturities have been priced to call.

OPTIONAL REDEMPTION

Bonds due June 1, 2023 - 2029, inclusive, are not subject to optional redemption. Bonds due June 1, 2030 - 2034, inclusive, are callable in whole or in part on any date on or after June 1, 2029, at a price of par and accrued interest. If less than all the Bonds are called, they shall be redeemed in such principal amounts and from such maturities as determined by the City and within any maturity by lot. See "OPTIONAL REDEMPTION" herein.

PURPOSE, LEGALITY AND SECURITY

The proceeds of the Bonds are expected to be used to pay the costs of: (i) constructing street, water system, sanitary sewer system and stormwater drainage improvements; (ii) acquiring and installing street lighting, signage and signalization; (iii) undertaking nuisance abatement and/or acquisition, demolition and restoration of dangerous and dilapidated properties; (iv) parking lot improvements; and (v) issuing the Bonds.

In the opinion of Dorsey & Whitney LLP, Des Moines, Iowa, the Bonds are valid and binding general obligations of the City, and all taxable property within the boundaries of the City is subject to the levy of taxes to pay the principal of and interest on the Bonds without constitutional or statutory limitation as to rate or amount. The City will furnish the written approving opinion of Bond Counsel, Dorsey & Whitney LLP, Des Moines, Iowa, evidencing legality of the Bonds and that the interest thereon is exempt from federal income as and to the extent discussed under the heading "TAX EXEMPTION AND RELATED CONSIDERATIONS" herein.

The City intends to designate the Bonds as "qualified tax-exempt obligations" pursuant to the small issuer exception provided by Section 265(b)(3) of the Internal Revenue Code of 1986.

The Bonds are offered when, as and if issued and received by the Underwriter, subject to the approving legal opinion of Dorsey & Whitney LLP, Des Moines, Iowa, Bond Counsel, and certain other conditions. It is expected that the Bonds will be made available for delivery on or about December 14, 2021.


Speer Financial, Inc.
INDEPENDENT MUNICIPAL ADVISORS • ESTABLISHED 1954
 230 WEST MONROE STREET, SUITE 2630 • CHICAGO, ILLINOIS 60606
 Telephone: (312) 346-3700 • Facsimile: (312) 346-8833
 531 COMMERCIAL STREET, SUITE 608 • WATERLOO, IOWA 50701
 Telephone: (319) 291-2077 • Facsimile: (319) 291-8628

(1) CUSIP numbers appearing in this Final Official Statement have been provided by the CUSIP Service Bureau, which is managed on behalf of the American Bankers Association by S&P Capital IQ, a part of McGraw Hill Financial Inc. The City is not responsible for the selection of CUSIP numbers and makes no representation as to their correctness on the Bonds or as set forth on the cover of this Final Official Statement.

No dealer, broker, salesman or other person has been authorized by the City to give any information or to make any representations with respect to the Bonds other than as contained in the Official Statement or the Final Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by the City. Certain information contained in the Official Statement and the Final Official Statement may have been obtained from sources other than records of the City and, while believed to be reliable, is not guaranteed as to completeness. THE INFORMATION AND EXPRESSIONS OF OPINION IN THE OFFICIAL STATEMENT AND THE FINAL OFFICIAL STATEMENT ARE SUBJECT TO CHANGE, AND NEITHER THE DELIVERY OF THE OFFICIAL STATEMENT OR THE FINAL OFFICIAL STATEMENT NOR ANY SALE MADE UNDER EITHER SUCH DOCUMENT SHALL CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE CITY SINCE THE RESPECTIVE DATES THEREOF.

References herein to laws, rules, regulations, ordinances, resolutions, agreements, reports and other documents do not purport to be comprehensive or definitive. All references to such documents are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of and exceptions to statements made herein. Where full texts have not been included as appendices to the Official Statement or the Final Official Statement, they will be furnished on request. This Official Statement does not constitute an offer to sell, or solicitation of an offer to buy, any securities to any person in any jurisdiction where such offer or solicitation of such offer would be unlawful.

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BOND ISSUE SUMMARY

This Bond Issue Summary is expressly qualified by the entire Final Official Statement which is provided for the convenience of potential investors and should be reviewed in its entirety by potential investors.

Issuer:	City of Marshalltown, Marshall County, Iowa.
Issue:	\$9,130,000 General Obligation Corporate Purpose Bonds, Series 2021.
Dated Date:	Date of delivery (expected to be on or about December 14, 2021).
Interest Due:	Each June 1 and December 1, commencing December 1, 2022.
Principal Due:	Serially each June 1, commencing June 1, 2023 through 2034, as detailed on the cover page of this Final Official Statement.
Optional Redemption:	Bonds maturing on or after June 1, 2030, are callable at the option of the City on any date on or after June 1, 2029, at a price of par plus accrued interest. See “OPTIONAL REDEMPTION” herein.
Authorization:	The Bonds are being issued pursuant to authority established in Code of Iowa, 2021 as amended, Chapter 384 (the “Act”), and all laws amendatory thereof and supplementary thereto, and in conformity with a resolution (the “Resolution” or the “Bond Resolution”) of the City duly passed and approved.
Security:	The Bonds are valid and binding general obligations of the City, and all taxable property within the boundaries of the City is subject to the levy of taxes to pay the principal of and interest on the Bonds without constitutional or statutory limitation as to rate or amount.
Investment Rating:	The Bonds have been rated “Aa2” by Moody’s Investors Service, New York, New York. See “INVESTMENT RATING” herein.
Purpose:	The proceeds of the Bonds will be used to pay the costs of: (i) constructing street, water system, sanitary sewer system and stormwater drainage improvements; (ii) acquiring and installing street lighting, signage and signalization; (iii) undertaking nuisance abatement and/or acquisition, demolition and restoration of dangerous and dilapidated properties; (iv) parking lot improvements; and (v) issuing the Bonds.
Tax Exemption:	Dorsey & Whitney LLP, Des Moines, Iowa, will provide an opinion as to the tax exemption of the Bonds as discussed under “TAX EXEMPTION AND RELATED TAX MATTERS” in this Final Official Statement.
Bank Qualified:	The City intends to designate the Bonds as “qualified tax-exempt obligations”.
Bond Registrar/Paying Agent:	UMB Bank, n.a., West Des Moines, Iowa (the “Registrar”).
Delivery:	The Bonds are expected to be delivered on or about December 14, 2021.
Book-Entry Form:	The Bonds will be registered in the name of Cede & Co. as nominee for The Depository Trust Company (“DTC”), New York, New York. DTC will act as securities depository of the Bonds. See APPENDIX B herein.
Denomination:	\$5,000 or integral multiples thereof.
Municipal Advisor:	Speer Financial, Inc., Waterloo, Iowa and Chicago, Illinois.

CITY OF MARSHALLTOWN
Marshall County, Iowa

Joel Greer
Mayor

Council Members

Mike Gowdy

Al Hoop

Gabriel Isom

Mike Ladehoff

Bill Martin

Gary Thompson

Bethany Wirin

Officials

Jessica Kinser
City Administrator

Alicia Hunter
City Clerk

Diana Steiner
Finance Director

Roger Schoell, Esq.
City Attorney

SECURITY AND SOURCE OF PAYMENT

Pursuant to the Resolution and the Act, the Bonds and the interest thereon are general obligations of the City, and all taxable real property within the corporate boundaries of the City is subject to the levy of taxes to pay the principal of and interest on the Bonds without constitutional or statutory limitation as to rate or amount. For a description of certain constitutional limits on the issuance of general obligation debt by the City, see “Debt Limitation” herein.

Section 76.2 of the Act provides that when an Iowa political subdivision issues general obligation bonds, the governing authority of such political subdivision shall, by resolution adopted before issuing the bonds, provide for the assessment of an annual levy upon all the taxable property in the political subdivision sufficient to pay the interest and principal of the bonds. A certified copy of this resolution shall be filed with the County Auditor in which the City is located, giving rise to a duty of the County Auditor to annually enter this levy for collection from the taxable property within the boundaries of the City, until funds are realized to pay the bonds in full.

For the purpose of providing for the levy and collection of a direct annual tax sufficient to pay the principal of and interest on the Bonds as the same become due, the Resolution provides for the levy of a tax sufficient for that purpose on all the taxable property in the City in each of the years while the Bonds are outstanding. The City shall file a certified copy of the Resolution with the County Auditor, pursuant to which the County Auditor is instructed to enter for collection and assess the tax authorized. When annually entering such taxes for collection, the County Auditor shall include the same as a part of the tax levy for Debt Service Fund purposes of the City and when collected, the proceeds of the taxes shall be deposited into the Debt Service Fund of the City and set aside therein as a special account to be used solely and only for the payment of the principal of and interest on the Bonds and for no other purpose whatsoever.

Pursuant to the provisions of Section 76.4 of the Code of Iowa, each year while the Bonds remain outstanding and unpaid, any funds of the City which may lawfully be applied for such purpose, may be appropriated, budgeted and, if received, used for the payment of the principal of and interest on the Bonds as the same become due, and if so appropriated, the taxes for any given fiscal year as provided for in the Resolution, shall be reduced by the amount of such alternate funds as have been appropriated for said purpose and evidenced in the City's budget.

BONDHOLDERS' RISKS

An investment in the Bonds involves an element of risk. In order to identify risk factors and make an informed investment decision, potential investors should be thoroughly familiar with this entire Final Official Statement (including the appendices hereto) in order to make a judgement as to whether the Bonds are an appropriate investment.

COVID-19

The City is monitoring developments and directives of federal, state and local officials to determine what precautions and procedures the City may need to implement or revise in light of the spread of COVID-19. Some procedures and precautions resulting from the spread of COVID-19 with respect to operations, personnel and services may be mandated by federal and/or state entities. Because of the unprecedented nature of COVID-19, the behavior of businesses and people is being altered in a manner that cannot fully be determined or predicted but has had negative effects on economic activity, and therefore could adversely affect the financial condition of the City, either directly or indirectly. The continued spread of COVID-19 in the future may: (i) limit the ability of the City to conduct its operations in an historically normal manner, (ii) increase the cost of operations of the City, (iii) impact the ability of the City to provide personnel to carry out the services routinely provided by the City, (iv) impact certain revenues received by the City, as further described below, (v) affect the secondary market with respect to the Bonds, and (vi) affect liquidity sources of the City.

The City is monitoring both expenses and revenues of the City that might be impacted by COVID-19, including the road use tax fund receipts (statewide gas tax) and local option sales tax receipts. The City does not currently expect to amend its fiscal year 2022 budget due to material COVID-19-related financial impacts, however, it is too soon to fully predict the extent and duration any COVID-19-related financial impacts may have on the City. The City has received CARES ACT funding for the police, fire, transit and airport departments and FEMA funds for personal protective equipment, disinfectants etc. The City will continue to seek financial support from federal or state COVID-19 related loan or grant programs as available. The City anticipates receipt of \$3.97 million in American Rescue Plan Act of 2021 funds, payable in fiscal years 2022 and 2023. The City plans to apply approximately \$2.85 million of such to infrastructure projects and the remainder of the funds have not been allocated to a specific project as this time.

This information is based on current information available to the City that may be incomplete and unknown. This information is forward-looking and subject to change.

Derecho Storm

The City had a Derecho Storm on August 10, 2020. The City is seeking public assistance for approximately \$5.3 million. The City has also requested financial assistance for street repairs and private property demolitions. It is anticipated that 75% would be reimbursed from FEMA and 10% from the State. The City is waiting for FEMA to obligate the projects.

Changes in Property Taxation

From time to time the Iowa General Assembly has altered the method of property taxation and could do so again. Any alteration in property taxation structure could affect property tax revenues available to pay the Bonds.

Historically, the Iowa General Assembly has applied changes in property taxation structure on a prospective basis; however, there is no assurance that future changes in property taxation structure by the Iowa General Assembly will not be retroactive. It is impossible to predict the outcome of future property tax changes by the Iowa General Assembly or their potential impact on the Bonds and the security for the Bonds.

Matters Relating to Enforceability of Agreements

Bondholders shall have and possess all the rights of action and remedies afforded by the common law, the Constitution and statutes of the State of Iowa and of the United States of America for the enforcement of payment of the Bonds, including, but not limited to, the right to a proceeding in law or in equity by suit, action or mandamus to enforce and compel performance of the duties required by Iowa law and the Resolution.

The practical realization of any rights upon any default will depend upon the exercise of various remedies specified in the Resolution or the Loan Agreement. The remedies available to the Bondholders upon an event of default under the Resolution or the Loan Agreement, in certain respects, may require judicial action, which is often subject to discretion and delay. Under existing law, including specifically the federal bankruptcy code, certain of the remedies specified in the Loan Agreement or the Resolution may not be readily available or may be limited. A court may decide not to order the specific performance of the covenants contained in these documents. The legal opinions to be delivered concurrently with the delivery of the Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by general principles of equity and public policy and by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally.

No representation is made, and no assurance is given, that the enforcement of any remedies will result in sufficient funds to pay all amounts due under the Resolution or the Loan Agreement, including principal of and interest on the Bonds.

Secondary Market

There can be no guarantee that there will be a secondary market for the Bonds or, if a secondary market exists, that such Bonds can be sold for any particular price. Occasionally, because of general market conditions or because of adverse history of economic prospects connected with a particular issue, secondary marketing practices in connection with a particular bond or note issue are suspended or terminated. Additionally, prices of bond or note issues for which a market is being made will depend upon then prevailing circumstances. Such prices could be substantially different from the original purchase price of the Bonds.

EACH PROSPECTIVE PURCHASER IS RESPONSIBLE FOR ASSESSING THE MERITS AND RISKS OF AN INVESTMENT IN THE BONDS AND MUST BE ABLE TO BEAR THE ECONOMIC RISK OF SUCH INVESTMENT. THE SECONDARY MARKET FOR THE BONDS, IF ANY, COULD BE LIMITED.

Ratings Loss

Moody's Investors Service, Inc. ("Moody's") has assigned a rating of "Aa2" to the Bonds. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that the rating will continue for any given period of time, or that such rating will not be revised, suspended or withdrawn, if, in the judgment of Moody's, circumstances so warrant. A revision, suspension or withdrawal of a rating may have an adverse effect on the market price of the Bonds.

Various factors, including additional regulation of rating agencies could materially alter the methodology, rating levels, and types of ratings available, for example, and these changes, if ever, could materially affect the market value of the Bonds.

Forward-Looking Statements

This Final Official Statement contains statements relating to future results that are “forward-looking statements” as defined in the Private Securities Litigation Reform Act of 1995. When used in this Final Official Statement, the words “estimate,” “forecast,” “intend,” “expect” and similar expressions identify forward-looking statements. Any forward-looking statement is subject to uncertainty. Accordingly, such statements are subject to risks that could cause actual results to differ, possibly materially, from those contemplated in such forward-looking statements. Inevitably, some assumptions used to develop forward-looking statements will not be realized or unanticipated events and circumstances may occur. Therefore, investors should be aware that there are likely to be differences between forward-looking statements and the actual results. These differences could be material and could impact the availability of funds of the City to pay debt service when due on the Bonds.

Tax Matters, Bank Qualification and Loss of Tax Exemption

As discussed under the heading “**TAX EXEMPTION AND RELATED TAX MATTERS**” herein, the interest on the Bonds could become includable in gross income for purposes of federal income taxation retroactive to the date of delivery of the Bonds, as a result of acts or omissions of the City in violation of its covenants in the Resolution. Should such an event of taxability occur, the Bonds would not be subject to a special prepayment and would remain outstanding until maturity or until prepaid under the prepayment provisions contained in the Bonds, and there is no provision for an adjustment of the interest rate on the Bonds.

The City intends to designate the Bonds as “qualified tax-exempt obligations” under the exception provided in Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the “Code”). The City has further covenanted to comply with certain other requirements, which affords banks and certain other financial institutions more favorable treatment of their deduction for interest expense than would otherwise be allowed under Section 265(b)(2) of the Code. Actions, or inactions, by the City in violation of its covenants could affect the designation, which could also affect the pricing and marketability of the Bonds.

It is possible that legislation will be proposed or introduced that could result in changes in the way that tax exemption is calculated, or whether interest on certain securities are exempt from taxation at all. Prospective purchasers should consult with their own tax advisors regarding any pending or proposed federal income tax legislation. The likelihood of any pending or future legislation being enacted or whether the currently proposed terms of any pending legislation will be altered or removed during the legislative process cannot be reliably predicted.

It is also possible that actions of the City after the closing of the Bonds will alter the tax status of the Bonds, and, in the extreme, remove the tax exempt status from the Bonds. In that instance, the Bonds are not subject to mandatory prepayment, and the interest rate on the Bonds does not increase or otherwise reset. A determination of taxability on the Bonds, after closing of the Bonds, could materially adversely affect the value and marketability of the Bonds.

DTC-Beneficial Owners

Beneficial Owners of the Bonds may experience some delay in the receipt of distributions of principal of and interest on the Bonds since such distributions will be forwarded by the Paying Agent to DTC and DTC will credit such distributions to the accounts of the Participants which will thereafter credit them to the accounts of the Beneficial Owner either directly or indirectly through indirect Participants. Neither the City nor the Paying Agent will have any responsibility or obligation to assure that any such notice or payment is forwarded by DTC to any Participants or by any Participant to any Beneficial Owner.

In addition, since transactions in the Bonds can be effected only through DTC Participants, indirect participants and certain banks, the ability of a Beneficial Owner to pledge the Bonds to persons or entities that do not participate in the DTC system, or otherwise to take actions in respect of such Bonds, may be limited due to lack of a physical certificate. Beneficial Owners will be permitted to exercise the rights of registered Owners only indirectly through DTC and the Participants. See **APPENDIX B – Describing Book-Entry Only Issuance.**

Pension and OPEB Benefits

The City participates in two public pension systems, Iowa Public Employee’s Retirement System (IPERS) and Municipal Fire and Police Retirement System of Iowa (MFPRSI). Summary descriptions of each Plan follows, for more detail as to each available plans see **APPENDIX A – Note 7.**

In fiscal year 2020, pursuant to the IPERS’ required rate, the City’s Regular employees (members) contributed 6.29% of covered payroll and the City contributed 9.44% of covered payroll, for a total rate of 15.73%. The City’s contributions to IPERS for the year ended June 30, 2020 were \$616,287. The City’s share of the contributions, payable from the applicable funds of the City, is provided by a statutorily authorized annual levy of taxes without limit or restriction as to rate or amount. The City has always made its full required contributions to IPERS.

At June 30, 2020, the City reported a liability of \$4,594,347 for its proportionate share of the IPERS net pension liability. The net pension liability was measured as of June 30, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The discount rate used to measure the total pension liability was 7%. The City’s proportion of the net pension liability was based on the City’s share of contributions to the pension plan relative to the contributions of all IPERS participating employers.

In fiscal year 2020, pursuant to the MFPRSI’s required rate, the City’s employees (members) contributed 9.40% of earnable compensation and the City contributed 24.41% of covered payroll, for a total rate of 33.81%. The City’s contributions to MFPRSI for the year ended June 30, 2020 were \$1,105,918. The City’s share of the contributions, payable from the applicable funds of the City, is provided by a statutorily authorized annual levy of taxes without limit or restriction as to rate or amount. The City has always made its full required contributions to MFPRSI.

At June 30, 2020, the City reported a liability of \$9,473,600 for its proportionate share of the MFPRSI net pension liability. The net pension liability was measured as of June 30, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City’s proportion of the net pension liability was based on the City’s share of contributions to the pension plan relative to the contributions of all MFPRSI participating employers.

The City operates a single-employer retiree benefit plan which provides postemployment medical and dental benefits for retirees and their spouses. Group insurance benefits are established under Iowa Code Chapter 509A.13. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

The following table shows the City’s changes in total OPEB liability:

Total OPEB Liability Beginning of year.....	\$15,227,115
Changes for the year:	
Service Cost.....	276,589
Interest.....	270,079
Net Difference between projected and actual earnings on pension plan investments	(953,812)
Change in Assumptions.....	894,265
Benefit Payments.....	<u>(523,029)</u>
Net Changes.....	<u>(35,908)</u>
Total OPEB Liability End of Year.....	<u>\$15,191,207</u>

See **APPENDIX A – Notes (7) and (8)** herein for further discussion of the City’s employee retirement benefit obligations.

Bond Counsel, the Municipal Advisor, and the City undertake no responsibility for and make no representations as to the accuracy or completeness of the information available from IPERS or MFPRSI discussed above or included on the IPERS or MFPRSI websites, including, but not limited to, updates of such information on the State Auditor's website or links to other Internet sites accessed through the IPERS or MFPRSI websites.

Continuing Disclosure

A failure by the City to comply with continuing disclosure obligations (see "**CONTINUING DISCLOSURE**" herein) will not constitute an event of default on the Bonds. Any such failure must be disclosed in accordance with Rule 15c2-12 (the "Rule") adopted by the Securities and Exchange Commission (the "Commission") under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and may adversely affect the transferability and liquidity of the Bonds and their market price.

The City will covenant in a Continuing Disclosure Certificate for the benefit of the Owners and Beneficial Owners of the Bonds to provide annually certain financial information and operating data relating to the City (the "Annual Report"), and to provide notices of the occurrence of certain enumerated events. The Annual Report is to be filed by the City no later than June 30, commencing with the fiscal year ending June 30, 2021, with the Municipal Securities Rulemaking Board, at its internet repository named "Electronic Municipal Market Access" ("EMMA"). The notices of events, if any, are also to be filed with EMMA. See "**APPENDIX D – FORM OF CONTINUING DISCLOSURE CERTIFICATE.**" The specific nature of the information to be contained in the Annual Report or the notices of events, and the manner in which such materials are to be filed, are summarized in "**APPENDIX D – FORM OF CONTINUING DISCLOSURE CERTIFICATE.**" These covenants have been made in order to assist the Underwriter in complying with SEC Rule 15c2-12(b)(5) (the "Rule").

Cybersecurity

The City, like many other public and private entities, relies on a large and complex technology environment to conduct its operations. As such, it may face multiple cybersecurity threats including but not limited to, hacking, viruses, malware and other attacks on computer or other sensitive digital systems and networks. There can be no assurances that any security and operational control measures implemented by the City will be completely successful to guard against and prevent cyber threats and attacks. Failure to properly maintain functionality, control, security, and integrity of the City's information systems could impact business operations and/or digital networks and systems and the costs of remedying any such damage could be significant. Along with significant liability claims or regulatory penalties, any security breach could have a material adverse impact on the City's operations and financial condition. The City has a Cyber-Liability and Cyber-Breach Policy. The City cannot predict whether this policy will be sufficient in the event of a cyberattack. However, the Bonds are secured by an unlimited ad valorem property tax as described herein. See "**SECURITY AND SOURCE OF PAYMENT**" herein.

Suitability of Investment

The interest rate borne by the Bonds is intended to compensate the investor for assuming the risk of investing in the Bonds. Each prospective investor should carefully examine this Final Official Statement and its own financial condition to make a judgment as to its ability to bear the economic risk of such an investment, and whether or not the Bonds are an appropriate investment for such investor.

Bankruptcy and Insolvency

The rights and remedies provided in the Resolution may be limited by and are subject to the provisions of federal bankruptcy laws, to other laws or equitable principles that may affect the enforcement of creditor's rights, to the exercise of judicial discretion in appropriate cases and to limitations in legal remedies against exercise of judicial discretion in appropriate cases and to limitations on legal remedies against municipal corporations in the State of Iowa. The various opinions of counsel to be delivered with respect to the Bonds and the Resolution, including the opinion of Bond Counsel, will be similarly qualified. If the City were to file a petition under chapter nine of the federal bankruptcy code, the owners of the Bonds could be prohibited from taking any steps to enforce their rights under the Resolution. In the event the City fails to comply with its covenants under the Resolution or fails to make payments on the Bonds, there can be no assurance of the availability of remedies adequate to protect the interests of the holders of the Bonds.

Under sections 76.16 and 76.16A of the Code of Iowa, as amended, a city, county, or other political subdivision may become a debtor under chapter nine of the federal bankruptcy code, if it is rendered insolvent, as defined in 11 U.S.C. §101(32)(c), as a result of a debt involuntarily incurred. As used therein, "debt" means an obligation to pay money, other than pursuant to a valid and binding collective bargaining agreement or previously authorized bond issue, as to which the governing body of the city, county, or other political subdivision has made a specific finding set forth in a duly adopted resolution of each of the following: (1) that all or a portion of such obligation will not be paid from available insurance proceeds and must be paid from an increase in general tax levy; (2) that such increase in the general tax levy will result in a severe, adverse impact on the ability of the city, county, or political subdivision to exercise the powers granted to it under applicable law, including without limitation providing necessary services and promoting economic development; (3) that as a result of such obligation, the city, county, or other political subdivision is unable to pay its debts as they become due; and (4) that the debt is not an obligation to pay money to a city, county, entity organized pursuant to chapter 28E of the Code of Iowa, or other political subdivision.

Legislation

From time to time, there are proposals pending in Congress and in the Iowa Legislature that could, if enacted, alter or amend one or more of the matters described herein in certain respects or would adversely affect the market value of the Bonds, or otherwise prevent holders of the Bonds from realizing the full benefit of the tax exemption of interest on the Bonds. Further such proposals may impact the marketability or market value of the Bonds simply by being proposed. It cannot be predicted whether or in what forms any of such proposals, either pending or that may be introduced, may be enacted and there can be no assurance that such proposals will not apply to the Bonds. In addition regulatory actions are from time to time announced or proposed, and litigation threatened or commenced, which if implemented or concluded in a particular manner, could adversely affect the market value, marketability or tax status of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds would be impacted thereby.

During the 2019 legislative session, the Iowa General Assembly passed Senate File 634 which was later signed into law by the Governor. This bill modifies the process for hearing and approval of the total maximum property tax dollars under certain levies in the City budget, including levies for the General Fund, the Emergency Fund, Trust and Agency Funds for pensions, insurance, transit, civic centers, certain bridges, sanitary disposal, and emergency management. The bill also includes a provision that requires the affirmative vote of 2/3 of the City Council when the maximum property tax dollars under these levies exceed an amount determined under a prescribed formula. The bill does not change the process for hearing and approval of the Debt Service Levy pledged for repayment of the Bonds. It is too early to evaluate the effect this legislation will have on the overall financial position of the City or its ability to fund essential services.

Loss of Tax Base

Economic and other factors beyond the City’s control, such as economic recession, deflation of property values, or financial difficulty or bankruptcy by one or more major property taxpayers, or the complete or partial destruction of taxable property caused by, among other eventualities, earthquake, flood, fire or other natural disaster, could cause a reduction in the assessed value within the corporate boundaries of the City. In addition, the State of Iowa has been susceptible to tornados, flooding and other extreme weather wherein winds and flooding have from time to time caused significant damage, which if such events were to occur, may have an adverse impact on the City’s financial position. The City believes it has employed adequate risk-mitigation strategies to limit future damage due to climate change or natural disaster, but it is impossible to predict the impact, cost or necessity of future recovery or mitigation efforts.

Tax Levy Procedures

The Bonds are general obligations of the City, payable from and secured by a continuing ad valorem tax levied against all of the taxable property valuation within the City. See **“PROPERTY ASSESSMENT AND TAX INFORMATION”** herein for more details. As part of the budgetary process each fiscal year, the City will have an obligation to request a debt service levy to be applied against all of the taxable property within the City. A failure on the part of the City to make a timely levy request or a levy request by the City that is inaccurate or is insufficient to make full payments of the debt service of the Bonds for a particular fiscal year may cause Bondholders to experience delay in the receipt of distributions of principal of and/or interest on the Bonds. In the event of a default in the payment of principal of or interest on the Bonds, there is no provision for acceleration of maturity of the principal of the Bonds. Consequently, the remedies of the owners of the Bonds (consisting primarily of an action in the nature of mandamus requiring the City and certain other public officials to perform the terms of the Resolution for the Bonds) may have to be enforced from year to year.

Federal Funds Orders and State Funds Legislation

Various federal executive orders, and Iowa Code Chapter 27A (collectively “ICE Enforcement Initiatives”), impose requirements intended to ensure compliance with the federal immigration detention processes. The ICE Enforcement Initiatives impose various penalties for non-compliance, including the loss of state and/or federal funding under certain circumstances. The loss of state and/or federal funds in any significant amount could negatively impact the City’s overall financial position and may affect its rating and could slow down completion of certain of the Projects. However, the Bonds are secured by an unlimited ad valorem property tax and are not secured by state or federal funds. See **“SECURITY AND SOURCE OF PAYMENT”** herein.

Other Factors

An investment in the Bonds involves an element of risk. The foregoing is intended only as a summary of certain risk factors attendant to an investment in the Bonds. In order for potential investors to identify risk factors and make an informed investment decision, potential investors should become thoroughly familiar with this entire Final Official Statement and the Appendices hereto.

THE CITY

The City is located in East Central Iowa and was incorporated in 1863 under the laws of the state of Iowa (the “State”), later amended in July 1975, under the City Home Rule Act. The City is approximately 19.19 square miles. The City is the largest city in Marshall County (the “County”).

City Organization and Services

The City operates by ordinance under the Mayor-Council form of government with the Mayor and Council Members elected on a non-partisan basis. The Mayor and Council are elected for a four year staggered term rotation, allowing continuity within the membership. Four of the council members are elected from within their respective districts. The Mayor and the three remaining council members are elected at large. The City Administrator, hired by the City Council; is responsible for carrying out the policies and ordinances of the council, overseeing the day-to-day operations of the government, and for hiring the City Clerk and department managers. Policy is established by the Mayor and the City Council.

The City employs approximately 176 full-time equivalent employees, including sworn police officers and firefighters. The different City departments are organized under four unions. The union contracts have been ratified and expire on June 30, 2022 for UAW and June 30, 2024 for PPME, Police, & Fire.

The City provides the following services as authorized by its charter: public safety, public works, health and social services, culture and recreation, and community development. The City also provides additional services including sewage collection and disposal, compost facility, a transit system, storm water system, and municipal parking lots. The Fire Department has 10 trucks and special vehicles and two motorized boats, and operates out of one station, which is now in the same building as the Police Department. City government services are administered at City Hall. The City owns and operates a water works system and a sewage collection, and secondary treatment system. The City's Water Works is organized as a separate entity and is managed by a separate board of trustees, which is appointed.

Community Life

The City considers itself a central hub for the State and offers four diverse golf courses, art galleries, historic Main Street, antique shopping, annual festivals and events/architectural tours, Lincoln Highway, indoor and outdoor aquatic centers, and 9.6 miles of bike and walking trails. The City is located just 30 miles north of the Iowa Speedway of Newton and close to vineyards and wineries, a Las Vegas-style casino and other attractions. The City offers a small-town lifestyle within reach of a large metropolitan area for culture and transportation.

Many quality of life projects are currently underway in the community. The Marshalltown Arts and Civic Center, owned by the Fisher Governor Foundation, is being renovated and will house the Fisher Art Museum and a collection of Impressionist art work. The Marshall County Arts and Culture Alliance has also worked with community groups and businesses to bring a number of murals to life in the Downtown and 13th Street District. A new sculpture is also being installed outside the Marshalltown Community School District's Performing Arts Center. The City is partnering with the Alliance to create a community art and culture master plan in 2022.

Outdoor recreational trails and parks have become very popular in the last year as residents and visitors alike seek outdoor experiences. West End Park has a new shelter and improvements, creating an event space for the 13th Street District. The City is also undertaking its first pocket park in Downtown between two City-owned buildings. This park will feature a pickleball court and a unique public art project of sidewalk poetry. The City also partnered with the Marshalltown Community School District to create the Marshalltown Court Complex, a new tennis and pickleball court complex which opened in late 2020 and recently received an Outstanding Facility Award from the U.S. Tennis Association. Trails are also an important aspect of life in the City. The City is redoing approximately three miles of trail in the City, while partnering with TRAILS Inc., a local non-profit, on the expansion of the Iowa River's Edge Trail north into Marshall County.

Education

The Marshalltown Community School District is the largest of two school districts serving the City and has a total certified enrollment of 5,332 students for the 2020-21 school year. East Marshall School District has a certified enrollment of 576 students.

Vocational and technical education courses are available from Iowa Valley Community College District. The community college district is comprised of Ellsworth Community College in Iowa Falls, Iowa Valley Continuing Education, Buena Vista College and Marshalltown Community College in the City, and Iowa Valley Grinnell, located in Grinnell. The Iowa Valley Community College District has enrollment of approximately 3,300 full-time and part-time students. College and graduate level degree programs are available from several colleges and universities including the University of Iowa, located 100 miles southeast of the City in Iowa City; Iowa State University, located 41 miles west of the City in Ames, Drake University, located 52 miles southwest in Des Moines, and the University of Northern Iowa located 52 miles northeast in Cedar Falls.

Transportation

The City is located 52 miles northeast of Des Moines, Iowa, approximately 245 miles northeast of Kansas City, Missouri and, 320 miles west of Chicago, Illinois. It is accessible by U.S. Highway 30 and State Highway 14. Interstate 80 runs south of the City approximately 30 miles, linking the City to other communities east and west throughout Iowa and the nation. The Union Pacific Railroad runs through the City and provides a direct route from Chicago to the West Coast. Its north-south lines run through nearby Des Moines connecting Minneapolis and Kansas City.

Recent Events

The City of Marshalltown continues to recover from the 2018 tornado and the 2020 derecho. Recovery efforts are still heavily focused in the Downtown. In June 2021, the City Council accepted the Downtown Implementation Plan, a planning effort which took concepts and recommendations from the Downtown Master Plan and created a programmable implementation list. More than \$35 million of work was identified, including the replacement of aging utilities and pavement. The first phase of work will begin in 2022, with the complete reconstruction of six blocks of State Street. City staff continues to pursue funding for future phases.

In addition to the reconstruction of public infrastructure, the City has taken a leading role in the recovery of buildings and businesses in the Downtown. The City, through court-ordered title or outright purchase, has acquired five properties on or near Main Street, with three others in a legal process to be declared abandoned and the City to take title. This will result in multiple demolitions occurring in 2022. The City will partner with the Marshalltown Area Chamber of Commerce to create redevelopment options to market to developers.

In addition to the City's work, three Downtown buildings will be undergoing significant renovations starting in 2022. The Hopkins and Willard Buildings sit side-by-side and will have newly renovated first floor commercial spaces (not available since 2018) with a total of 14 upper story housing units between the two buildings. The total renovation for both buildings, which are owned by the same developer, is estimated to be around \$4 million. The Gildners Building is also undergoing a renovation of more than \$1 million to create three new upper story housing units and a large first floor commercial space which is the future home of the Marshalltown Area Chamber of Commerce. The City has also been awarded a \$500,000 Downtown Revitalization Grant through the Iowa Economic Development Authority to do façade work on 11 storefronts. This work will also start in 2022.

Housing has been a direct focus in the community recently. The City has pledged \$250,000 to a \$1 million goal set by the Chamber of Commerce to provide \$10,000 grants to 100 new construction homes (owner-occupied, single family and attached). After seeing all greenfield residential lots purchased in 2020, the City partnered with a developer to create a new subdivision with 42 new lots. The City used a development agreement with tax increment financing (TIF) to reimburse the developer for the new infrastructure required. Construction of infrastructure is underway and lot sales for new construction are expected in 2022. The City is also partnering with a developer on a small subdivision with owner-occupied townhomes and duplexes near a number of recreational amenities. The City will install a street, sanitary and storm sewer, with the developer picking up the costs of the other infrastructure. This street will be built in 2022. The City has partnered with a developer working with JBS, the City's largest employer, who is building apartments for JBS employees. This will involve the installation of a public street and infrastructure, with work also expected in 2022.

The City will undertake the construction of the Edgewood Industrial Park in 2022. Grants from the Iowa Department of Transportation and the U.S. Economic Development Administration are covering more than 75 percent of the costs to construct a new bypass roadway from Highway 14 to Marion Street and JBS. This will divert approximately 150 - 200 semi-trucks each day off of Highway 14 and away from a mix of residential and commercial properties. This opens up around 40 acres of land owned by the City which is zoned for heavy industry. The new roadway is anticipated to be open by the end of calendar year 2022.

SOCIOECONOMIC INFORMATION

The following demographic information is for the City. Additional comparisons are made with the County and the State.

Population

The following table reflects population trends for the City, the County and the State.

Population Comparison(1)

Year	The City	Percent Change	The County	Percent Change	The State	Percent Change
1970	26,219	n/a	41,076	n/a	2,824,376	n/a
1980	26,938	2.74%	41,652	1.40%	2,913,808	3.17%
1990	25,178	(6.53%)	38,276	(8.11%)	2,776,755	(4.70%)
2000	26,009	3.30%	39,311	2.70%	2,926,324	5.39%
2010	27,552	5.93%	40,648	3.40%	3,046,355	4.10%
2020	27,591	0.14%	40,105	(1.34%)	3,190,369	4.73%

Note: (1) Source: U.S. Bureau of the Census.

Employment

Following are lists of large employers located in the City.

Major City Employers(1)

Name	Product/Service	Approximate Employment (2)
JBS USA, LLC. a/k/a Swift & Company	Pork Processing.....	2,300
Emerson Process Management, LLC	Relays and Industrial Controls	1,135
Lennox Industries, Inc.	Refrigeration and Heating Equipment	915
Iowa Veterans Home	Nursing Care Facility	865
Marshalltown Community School District	Education	850
Iowa Valley Community College District	Higher Education	835(3)
Unity Point Health.....	Health Care	400
Hy-Vee	Grocery Store	340
Walmart.....	Retail Store.....	300
City of Marshalltown	Government.....	190
Marshall County	Government.....	180
McFarland Clinic.....	Health Care	145
Packaging Corporation of America	Shipping Containers	130
Marshalltown Company	Masonry and Concrete Tools	100
Mechdyne Corporation	Electronic Computers.....	100
Mid-Iowa Workshops, Inc.	Packaging and Assembling.....	100

Note: (1) Source: Area Chamber of Commerce, selected telephone surveys and the 2021 Manufacturers database.
 (2) Includes part-time employees and seasonal employees.
 (3) Includes all employees of the District including those in facilities not located in the City.

The following tables show employment by industry and by occupation for the City, the County and the State as reported by the U.S. Census Bureau 2015 - 2019 American Community Survey 5-year estimated values.

Employment By Industry(1)

Classification	The City		The County		The State	
	Number	Percent	Number	Percent	Number	Percent
Agriculture, forestry, fishing and hunting, and mining.....	257	2.1%	653	3.4%	60,131	3.7%
Construction.....	938	7.6%	1,352	7.1%	103,928	6.4%
Manufacturing.....	3,821	30.9%	5,043	26.7%	240,510	14.9%
Wholesale trade.....	191	1.5%	316	1.7%	45,805	2.8%
Retail trade.....	1,567	12.7%	2,261	12.0%	186,537	11.6%
Transportation and warehousing, and utilities.....	397	3.2%	755	4.0%	78,935	4.9%
Information.....	134	1.1%	201	1.1%	25,498	1.6%
Finance and insurance, and real estate and rental and leasing.....	380	3.1%	768	4.1%	123,750	7.7%
Professional, scientific, and management, and administrative and waste management services.....	845	6.8%	1,153	6.1%	118,156	7.3%
Educational services, and health care and social assistance.....	2,207	17.9%	3,873	20.5%	393,873	24.4%
Arts, entertainment, and recreation, and accommodation and food services.....	915	7.4%	1,312	6.9%	119,270	7.4%
Other services, except public administration.....	422	3.4%	642	3.4%	68,012	4.2%
Public administration.....	286	2.3%	572	3.0%	49,497	3.1%
Total.....	12,360	100.0%	18,901	100.0%	1,613,902	100.0%

Note: (1) Source: U. S. Bureau of the Census, American Community Survey 5-Year Estimates from 2015 - 2019.

Employment By Occupation(1)

Classification	The City		The County		The State	
	Number	Percent	Number	Percent	Number	Percent
Management, business, science, and arts occupations.....	3,048	24.6%	5,093	26.9%	585,013	36.2%
Service occupations.....	2,159	17.5%	3,112	16.5%	262,868	16.3%
Sales and office occupations.....	2,063	16.7%	3,524	18.7%	333,318	20.7%
Natural resources, construction, and maintenance occupations.....	1,358	11.0%	2,079	11.0%	153,908	9.5%
Production, transportation, and material moving occupations.....	3,732	30.2%	5,093	26.9%	278,795	17.3%
Total.....	12,360	100.0%	18,901	100.0%	1,613,902	100.0%

Note: (1) Source: U. S. Bureau of the Census, American Community Survey 5-Year Estimates from 2015 - 2019.

The following shows the annual average unemployment rates for the City, the County, the State and the United States.

Annual Average Unemployment Rates(1)(2)

Calendar Year	The City	The County	The State	United States
2012.....	6.8%	6.4%	5.1%	8.1%
2013.....	6.5%	6.0%	4.7%	7.4%
2014.....	5.8%	5.4%	4.2%	6.2%
2015.....	5.6%	5.1%	3.7%	5.3%
2016.....	5.4%	4.9%	3.6%	4.9%
2017.....	5.3%	4.6%	3.1%	4.4%
2018.....	8.2%	4.4%	2.6%	3.9%
2019.....	6.9%	4.5%	2.8%	3.7%
2020(3).....	8.2%	7.1%	5.3%	8.1%
2021(3)(4).....	5.7%	5.0%	3.8%	5.3%

- Notes: (1) Source: Iowa Workforce Development and U.S. Bureau of Labor Statistics.
 (2) Not seasonally adjusted.
 (3) The increase in unemployment rates may be attributable to the COVID-19 pandemic. See "BONDHOLDERS RISKS – COVID-19" herein.
 (4) Preliminary rates for the month of August 2021.

Building Permits

Building permits have averaged \$53,293,400 annually over the last five fiscal years in the City, excluding the value of land.

City Building Permits(1) (Excludes the Value of Land)

Fiscal Year	Number of Permits	Total Value
2012.....	159	\$ 15,798,000
2013.....	143	18,988,000
2014.....	114	53,428,000
2015.....	126	37,843,000
2016.....	131	25,349,000
2017.....	148	29,485,000
2018.....	119	31,354,000
2019(2).....	364	43,966,000
2020(2).....	178	37,118,000
2021(3).....	262	124,544,000

- Notes: (1) Source: the City.
(2) Increase partially due to a tornado in July 2018.
(3) Increase partially due to large commercial development including the local hospital, medical clinics, school district and community college.

Housing

The U.S. Census Bureau 5-year estimated values reported that the median value of the City's owner-occupied homes was \$94,300. This compares to \$106,000 for the County and \$147,800 for the State. The following table represents the five year average market value of specified owner-occupied units for the City, the County and the State at the time of the 2015 - 2019 American Community Survey.

Home Values(1)

Value	The City		The County		The State	
	Number	Percent	Number	Percent	Number	Percent
Less than \$50,000.....	881	13.3%	1,239	11.4%	79,312	8.8%
\$50,000 to \$99,999.....	2,742	41.2%	3,844	35.4%	187,081	20.8%
\$100,000 to \$149,999.....	1,484	22.3%	2,524	23.2%	191,070	21.2%
\$150,000 to \$199,999.....	806	12.1%	1,409	13.0%	156,091	17.4%
\$200,000 to \$299,999.....	467	7.0%	1,128	10.4%	164,192	18.3%
\$300,000 to \$499,999.....	186	2.8%	545	5.0%	92,482	10.3%
\$500,000 to \$999,999.....	32	0.5%	109	1.0%	23,930	2.7%
\$1,000,000 or more.....	53	0.8%	70	0.6%	5,065	0.5%
Total.....	6,651	100.0%	10,868	100.0%	899,223	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2015 - 2019.

Mortgage Status(1)

Mortgage Status	The City		The County		The State	
	Number	Percent	Number	Percent	Number	Percent
Housing units with a mortgage.....	4,191	63.0%	6,516	60.0%	544,728	60.6%
Housing units without a mortgage.....	2,460	37.0%	4,352	40.0%	354,495	39.4%
Total.....	6,651	100.0%	10,868	100.0%	899,223	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2015 - 2019.

Income

The U.S. Census Bureau 5-year estimated values reported that the City had a median family income of \$63,280. This compares to \$69,134 for the County and \$77,099 for the State. The following table represents the distribution of family incomes for the City, the County and the State at the time of the 2015 - 2019 American Community Survey.

Family Income(1)

Income	The City		The County		The State	
	Number	Percent	Number	Percent	Number	Percent
Less than \$10,000.....	255	4.0%	338	3.4%	22,636	2.8%
\$10,000 to \$14,999.....	128	2.0%	160	1.6%	14,901	1.9%
\$15,000 to \$24,999.....	461	7.2%	571	5.7%	41,343	5.1%
\$25,000 to \$34,999.....	624	9.8%	838	8.4%	54,569	6.8%
\$35,000 to \$49,999.....	809	12.7%	1,143	11.5%	93,819	11.7%
\$50,000 to \$74,999.....	1,589	24.9%	2,392	24.1%	160,975	20.1%
\$75,000 to \$99,999.....	1,057	16.6%	1,770	17.8%	139,580	17.4%
\$100,000 to \$149,999.....	1,041	16.3%	1,942	19.5%	164,129	20.4%
\$150,000 to \$199,999.....	253	4.0%	508	5.1%	59,624	7.4%
\$200,000 or more.....	157	2.5%	283	2.8%	51,250	6.4%
Total.....	6,374	100.0%	9,945	100.0%	802,826	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2015 to 2019.

The U.S. Census Bureau 5-year estimated values reported that the City had a median household income of \$52,035. This compares to \$56,437 for the County and \$60,523 for the State. The following table represents the distribution of household incomes for the City, the County and the State at the time of the 2015 - 2019 American Community Survey.

Household Income(1)

Income	The City		The County		The State	
	Number	Percent	Number	Percent	Number	Percent
Less than \$10,000.....	602	5.9%	758	4.9%	66,420	5.3%
\$10,000 to \$14,999.....	558	5.4%	716	4.6%	52,441	4.1%
\$15,000 to \$24,999.....	1,029	10.0%	1,422	9.2%	115,414	9.1%
\$25,000 to \$34,999.....	1,239	12.1%	1,724	11.2%	119,165	9.4%
\$35,000 to \$49,999.....	1,470	14.3%	2,049	13.3%	168,905	13.4%
\$50,000 to \$74,999.....	2,284	22.2%	3,412	22.1%	243,004	19.2%
\$75,000 to \$99,999.....	1,325	12.9%	2,126	13.8%	181,100	14.3%
\$100,000 to \$149,999.....	1,274	12.4%	2,271	14.7%	194,116	15.3%
\$150,000 to \$199,999.....	335	3.3%	642	4.2%	66,951	5.3%
\$200,000 or more.....	157	1.5%	299	1.9%	57,957	4.6%
Total.....	10,273	100.0%	15,419	100.0%	1,265,473	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2015 - 2019.

Agriculture

Shown below is information on the agricultural value of the County and the statewide average.

Average Value Per Acre(1)

	2016	2017	2018	2019	2020
Average Value Per Acre:					
The County.....	\$7,474	\$7,676	\$7,471	\$7,863	\$8,146
State of Iowa.....	7,183	7,326	7,264	7,432	7,559

Note: (1) Source: Cooperative Extension Service - Iowa State University.

Local Option Sales Tax

The City approved a 1% local option sales and service tax (“Local Option Tax”) at a special referendum. The Local Option Tax for the City became effective April 1, 2000. In 2011 the City held a referendum, which was approved by voters, to extend the Local Option Tax through fiscal year 2025. The City held a special referendum on August 1, 2017 to change the allocation of the Local Option Tax. The City’s Local Option Tax proceeds are designated 78% for property tax relief, and the remaining 22% to be used for any legal purpose.

Once approved, a Local Option Tax can only be repealed through a public referendum at which a majority voting approve the repeal or tax rate change, or, in certain circumstances, upon adoption of a motion by the governing body of the incorporated city requesting the repeal. If a Local Option Tax is not imposed county-wide, then the question of repeal is voted upon only by voters in such areas of a county where the tax has been imposed. A Local Option Tax may not be repealed within one year of the effective date.

The State of Iowa Department of Revenue (the “Department”) administers collection and disbursement of all local option sales and services taxes in conjunction with administration of the State-wide sales, services and use tax presently assessed at 6%. The Department is required by statute to remit at least 95% of the estimated tax receipts to a county board of supervisors (for taxes imposed in unincorporated areas) and to each incorporated city. Such remittances are on a monthly basis. Once a year the Department reconciles its monthly estimated payments and makes an adjustment payment or debit at the November 10 payment date. Remittance of collections within a county are based upon the following statutory formula for county-wide collections:

- 75 percent: Based on a pro rata share of population (the most recent certified federal census) of those incorporated or unincorporated areas in a county which have approved a Local Option Tax.
- 25 percent: Based on a pro rata share of total property tax dollars levied during the three year period beginning July 1, 1982, through June 30, 1985, for those incorporated or unincorporated areas of a county which have approved a Local Option Tax.

Local Option Taxes are based on the same sales currently taxed by the state-wide 6% sales and services tax, with the present statutory exceptions of (i) certain sales of motor fuel or special fuel as defined in Chapter 452A, (ii) the sale of natural gas or electric energy in a city or county where the gross receipts are subject to a franchise fee or user fee during the period the franchise or user fee is imposed, (iii) the sales price from a pay television service consisting of a direct-to-home satellite service, or (iv) the sale of equipment by the State Department of Transportation.

The following table shows the trend of City Local Option tax receipts.

Local Option Tax Receipts(1)

Fiscal Year Ending June 30	Local Option Sales Tax Receipts(2)	Percent Change +/-
2013	\$2,895,143	n/a
2014	3,014,944	4.14%
2015	3,165,062	4.98%
2016	4,323,828	36.61%(3)
2017	3,273,231	(24.30%)
2018	3,177,721	(2.92%)
2019	3,591,861	13.03%
2020	3,850,716	7.21%
2021	3,697,871(4)	(3.97%)
2022	4,125,619(4)	11.57%

- Notes:
- (1) Source: Iowa Department of Revenue.
 - (2) Includes a reconciliation payment in November attributable to the previous fiscal year.
 - (3) Increase due to large construction project in the City with additional temporary workers living in the City during that time.
 - (4) Collections received or expected to be received, not including any allowance for the reconciliation payment.

Retail Sales

The Department of Revenue of the State of Iowa provides retail sales figures based on sales tax reports for years ending June 30. The Department of Revenue figures provide recent data to confirm trends in retail sales activity in the City. The following amounts exclude the City’s Local Option Tax.

Retail Taxable Sales(1)

<u>Fiscal Year</u> <u>Ending June 30</u>	<u>Taxable</u> <u>Sales</u>	<u>Annual Percent</u> <u>Change + (-)</u>
2011	304,662,931	n/a
2012	322,643,986	5.90%
2013	321,699,702	(0.29%)
2014	328,920,980	2.24%
2015	331,780,905	0.87%
2016	352,326,540	6.19%
2017	360,825,713	2.41%
2018	361,952,959	0.31%
2019	375,183,985	3.66%(2)
2020	359,899,562	(4.07%)
Growth from 2011 to 2020		18.13%

- Notes (1) Source: the Iowa Department of Revenue.
 (2) Increase due in part to tornado damage repairs.

THE PROJECT

Bond proceeds will be used to pay the costs of: (i) constructing street, water system, sanitary sewer system and stormwater drainage improvements; (ii) acquiring and installing street lighting, signage and signalization; (iii) undertaking nuisance abatement and/or acquisition, demolition and restoration of dangerous and dilapidated properties; (iv) parking lot improvements; and (v) issuing the Bonds.

DEFAULT RECORD

The City has no record of default and has met its debt repayment obligations promptly.

SHORT-TERM BORROWING

The City has not issued tax anticipation warrants or revenue anticipation notes during the last five years to meet its short-term current year cash flow requirements.

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DEBT INFORMATION

After issuance of the Bonds, the City will have outstanding \$52,195,000 principal amount of general obligation debt. In addition, the City has outstanding approximately \$9,834,000 principal amount of sewer revenue debt. The City entered into a forgivable loan agreement with the Iowa Economic Development Authority in a maximum amount of \$500,000. To date the City has drawn \$125,671.

Debt Limitation

The constitutional general obligation debt limit of a political subdivision of the state of Iowa is equal to five percent (5%) of the actual value of taxable property within its borders. According to and based upon the January 1, 2020 property valuations, for taxes payable in September 2021 and March 2022 the general obligation debt limit of the City for the period which began July 1, 2021 and ends June 30, 2022 is:

2020 100% Actual Valuation of Property	\$1,730,954,025
Constitutional Debt Limit	\$ 86,547,701
Outstanding Bonds/Notes Applicable to Debt Limit:	
Total G.O. Debt Subject to Debt Limit.....	\$ 52,195,000
Other Legal Indebtedness (TIF Rebates)	<u>2,032,149</u>
Total Applicable Debt	<u>\$ 54,227,149</u>
Remaining Debt Capacity.....	\$ 32,320,552

The City does not expect to issue any additional general obligation debt in fiscal year 2022.

Summary of Outstanding General Obligation Bonded Debt(1) (Principal Only)

Series 2012A	\$ 1,675,000
Series 2012B	610,000
Series 2013A	1,000,000
Series 2015.....	950,000
Series 2016A	3,350,000
Series 2016B	3,035,000
Series 2017.....	11,505,000
Series 2018.....	2,400,000
Series 2019.....	7,725,000
Series 2020A	8,785,000
Series 2020B	2,030,000
The Bonds.....	<u>9,130,000</u>
Total.....	\$52,195,000

Note: (1) Source: the City.

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General Obligation Debt(1)
 (Principal Only)

Fiscal Year Ending June 30	Series 2012A	Series 2012B	Series 2013A	Series 2015	Series 2016A	Series 2016B	Series 2017	Series 2018	Series 2019	Series 2020A
2022	\$ 425,000	\$320,000	\$1,000,000	\$350,000	\$ 340,000	\$ 260,000	\$ 100,000	\$ 0	\$ 815,000	\$ 760,000
2023	425,000	290,000	0	375,000	550,000	270,000	505,000	110,000	840,000	790,000
2024	400,000	0	0	225,000	580,000	275,000	515,000	350,000	1,160,000	790,000
2025	425,000	0	0	0	605,000	275,000	535,000	360,000	1,195,000	800,000
2026	0	0	0	0	170,000	475,000	350,000	375,000	1,220,000	1,275,000
2027	0	0	0	0	175,000	485,000	360,000	385,000	650,000	1,305,000
2028	0	0	0	0	220,000	495,000	375,000	400,000	650,000	660,000
2029	0	0	0	0	230,000	500,000	390,000	420,000	600,000	775,000
2030	0	0	0	0	235,000	0	915,000	0	595,000	775,000
2031	0	0	0	0	245,000	0	950,000	0	0	425,000
2032	0	0	0	0	0	0	990,000	0	0	430,000
2033	0	0	0	0	0	0	1,020,000	0	0	0
2034	0	0	0	0	0	0	1,060,000	0	0	0
2035	0	0	0	0	0	0	1,105,000	0	0	0
2036	0	0	0	0	0	0	1,155,000	0	0	0
2037	0	0	0	0	0	0	1,180,000	0	0	0
Total	\$1,675,000	\$610,000	\$1,000,000	\$950,000	\$3,350,000	\$3,035,000	\$11,505,000	\$2,400,000	\$7,725,000	\$8,785,000

Fiscal Year Ending June 30	Series 2020B	Total Outstanding General Obligation Debt	The Bonds	Total General Obligation Debt	Cumulative Principal Retired	
					Amount	Percent
2022	\$ 0	\$ 4,700,000	\$ 0	\$ 4,370,000	\$ 4,370,000	8.37%
2023	0	4,155,000	600,000	4,755,000	9,125,000	17.48%
2024	210,000	4,505,000	695,000	5,200,000	14,325,000	27.45%
2025	210,000	4,405,000	710,000	5,115,000	19,440,000	37.24%
2026	215,000	4,080,000	725,000	4,805,000	24,245,000	46.45%
2027	220,000	3,580,000	740,000	4,320,000	28,565,000	54.73%
2028	225,000	3,025,000	755,000	3,780,000	32,345,000	61.97%
2029	230,000	3,145,000	775,000	3,920,000	36,265,000	69.48%
2030	235,000	2,755,000	795,000	3,550,000	39,815,000	76.28%
2031	240,000	1,860,000	810,000	2,670,000	42,485,000	81.40%
2032	245,000	1,665,000	825,000	2,490,000	44,975,000	86.17%
2033	0	1,020,000	840,000	1,860,000	46,835,000	89.73%
2034	0	1,060,000	860,000	1,920,000	48,755,000	93.41%
2035	0	1,105,000	0	1,105,000	49,860,000	95.53%
2036	0	1,155,000	0	1,155,000	51,015,000	97.74%
2037	0	1,180,000	0	1,180,000	52,195,000	100.00%
Total	\$2,030,000	\$43,065,000	\$9,130,000	\$52,195,000		

Note: (1) Source: the City. For term bonds, mandatory redemption amounts are shown.

Statement of Bonded Indebtedness(1)(2)

City Actual Value, January 1, 2020.....	\$1,730,954,025
City Taxable Value, January 1, 2020.....	\$ 939,398,141

	Total	Applicable		Ratio to City Actual Value	Ratio to City Taxable Value	Per Capita (2020 Pop. 27,591)
		Percent	Amount			
Direct Bonded Debt.....	\$52,665,000	100.00%	\$52,665,000	3.04%	5.61%	\$1,908.77
Overlapping Debt:						
Marshalltown Community School District.....	\$ 7,750,000	79.58%	\$ 6,167,807	0.36%	0.66%	\$ 223.54
East Marshall Community School District.....	1,858,340	1.08%	20,040	0.00%	0.00%	0.73
Iowa Valley Community College District(3) ..	13,305,000	16.13%	2,146,351	0.12%	0.23%	77.79
Marshall County.....	0	46.53%	0	0.00%	0.00%	0.00
Total Applicable Overlapping Bonded Debt.....			<u>\$ 8,334,197</u>	<u>0.48%</u>	<u>0.89%</u>	<u>\$ 302.06</u>
Total Direct and Overlapping Bonded Debt.....			\$60,999,197	3.52%	6.49%	\$2,210.84

Per Capita Actual Value.....	\$62,736.18
Per Capita Taxable Value.....	\$34,047.27

- Notes: (1) Source: the City, Audited Financial Statements and Treasurer of the State of Iowa - Outstanding Obligations Report, debt as of June 30, 2020 for the School District, Community College and County.
(2) As of the date of issuance for the Direct Bonded Debt and June 30, 2020 for Overlapping Debt.
(3) Excludes \$5,270,000 in Industrial New Jobs Training Certificates, which are expected to be paid by proceeds from anticipated job credits from withholding taxes.

PROPERTY ASSESSMENT AND TAX INFORMATION

Property Tax Assessment

In compliance with Section 441.21 of the Code of Iowa, as amended, the State Director of Revenue annually directs all county auditors to apply prescribed statutory percentages to the assessments of certain categories of real property. The final values, called Actual Valuation, are then adjusted by the County Auditor. Taxable Valuation subject to tax levy is then determined by the application of State determined rollback percentages, principally to residential property.

Beginning in 1978, the State required a reduction in Actual Valuation to reduce the impact of inflation on its residents. The resulting value is defined as the Taxable Valuation. Such rollback percentages may be changed in future years. Certain historical rollback percentages for residential, multi-residential, agricultural and commercial valuations are as follows:

Percentages for Taxable Valuation After Rollbacks(1)

Fiscal Year	Residential	Multi- Residential(2)	Ag Land & Buildings	Commercial & Industrial
2012/13.....	50.7518%	N/A	57.5411%	100.0000%
2013/14.....	52.8166%	N/A	59.9334%	100.0000%
2014/15.....	54.4002%	N/A	43.3997%	95.0000%
2015/16.....	55.7335%	N/A	44.7021%	90.0000%
2016/17.....	55.6259%	86.2500%	46.1068%	90.0000%
2017/18.....	56.9391%	82.5000%	47.4996%	90.0000%
2018/19.....	55.6209%	78.7500%	54.4480%	90.0000%
2019/20.....	56.9180%	75.0000%	56.1324%	90.0000%
2020/21.....	55.0743%	71.2500%	81.4832%	90.0000%
2021/22.....	56.4094%	67.5000%	84.0305%	90.0000%

- Notes: (1) Source: the Iowa Department of Revenue.
(2) New category beginning with fiscal year 2017, to be phased into residential category with valuations beginning January 1, 2022, per House File 418 signed into law on March 8, 2021.

Property is assessed on a calendar year basis. The assessments finalized as of January 1 of each year are applied to the following tax year. For example, the assessments finalized on January 1, 2020, are used to calculate tax liability for the tax year starting July 1, 2021 through June 30, 2022.

Property Tax Collection

Each county is required by State law to collect all tax levies within its jurisdiction and remit, before the fifteenth of each month, the amount collected through the last day of the preceding month to underlying units of government, including the City. Property tax payments are made at the office of each county treasurer in full or one-half by September 30 and March 31, pursuant to the Code of Iowa, Sections 445.36 and 445.37. Where the first half of any property tax has not been paid by October 1, such installment becomes delinquent. If the second installment is not paid, it becomes delinquent on April 1. Delinquent taxes and special assessments are subject to a penalty at the rate of one and one-half percent per month, to a maximum of eighteen percent per annum.

If taxes are not paid when due, the property may be offered at the regular tax sale on the third Tuesday of June following the delinquency date. Purchasers at the tax sale must pay an amount equal to the taxes, special assessments, interest and penalties due on the property, and funds so received are applied to the payment of taxes. A property owner may redeem from the regular tax sale, but failing redemption within two years, the tax sale purchaser is entitled to a deed which in general conveys the title free and clear of all liens except future installments of taxes.

Actual (100%) Valuations for the City(1)(2)

Property Class	Fiscal Year:	2017/18	2018/19	2019/20	2020/21	2021/22
	Levy Year:	2016	2017	2018	2019	2020
Residential		\$ 809,821,936	\$ 855,070,536	\$ 859,085,432	\$ 915,662,012	\$ 921,442,289
Agricultural		9,853,499	8,601,940	8,500,040	6,860,080	6,713,730
Commercial		217,077,808	226,758,898	229,893,416	241,524,110	241,397,185
Industrial		71,218,793	68,45,170	69,089,497	65,997,471	70,332,860
Multi-residential		32,339,360	36,899,124	43,549,331	38,832,294	43,784,014
Railroads		4,334,016	4,311,857	4,625,251	5,117,476	5,353,467
Utilities without Gas and Electric(3)		2,825,595	2,908,138	3,145,957	2,514,528	1,847,440
Gas and Electric Utility(3)		307,764,842	375,124,239	435,377,442	445,705,906	441,966,524
Less: Military Exemption		(2,405,701)	(2,272,404)	(2,170,544)	(2,018,680)	(1,883,484)
Total		\$1,452,830,148	\$4,575,947,498	\$1,651,195,822	\$1,720,195,197	\$1,730,954,025
Percent Change +/-		6.47%(4)	8.47%	4.77%	4.18%	0.63%

- Notes: (1) Source: Iowa Department of Management.
(2) Includes tax increment finance (TIF) valuations used in the following amounts:

January 1:	2016	2017	2018	2019	2020
TIF Valuation	\$5,394,151	\$24,539,106	\$17,723,868	\$17,610,264	\$24,793,485

- (3) See "PROPERTY TAX INFORMATION - Utility Property Tax Replacement" herein.
(4) Based on 2015 Actual Valuation of \$1,364,512,112.

For the January 1, 2020 levy year, the City's Taxable Valuation was comprised of approximately 55% residential, 23% commercial, 11% utilities, 7% industrial, 3% multi-residential, and less than 1% agriculture and military exemption.

Taxable ("Rollback") Valuations for the City(1)(2)

Property Class	Fiscal Year:	2017/18	2018/19	2019/20	2020/21	2021/22
	Levy Year:	2016	2017	2018	2019	2020
Residential		\$461,105,154	\$475,597,834	\$488,974,237	\$504,294,410	\$519,779,974
Agricultural		4,680,367	4,683,585	4,771,279	5,589,811	5,641,583
Commercial		195,370,030	204,083,012	206,904,079	217,371,702	217,257,468
Industrial		64,096,916	61,690,655	62,180,549	59,397,726	63,299,576
Multi-residential		26,680,016	29,058,092	32,737,082	27,668,035	29,554,257
Railroads		3,900,614	3,880,671	4,162,726	4,605,728	4,818,120
Utilities without Gas and Electric(3)		2,825,595	2,908,138	3,145,957	2,514,528	1,820,631
Gas and Electric Utility(3)		73,018,143	83,472,038	99,912,110	108,397,416	99,110,016
Less: Military Exemption		(2,405,701)	(2,272,404)	(2,170,544)	(2,018,680)	(1,883,484)
Total		\$829,271,134	\$863,101,621	\$900,617,475	\$927,820,676	\$939,398,141
Percent Change +/-		3.37%(4)	4.08%	4.35%	3.02%	1.25%

- Notes: (1) Source: Iowa Department of Management.
(2) Includes tax increment finance (TIF) valuations used in the following amounts:

January 1:	2016	2017	2018	2019	2020
TIF Valuation	\$5,394,151	\$24,539,106	\$17,723,868	\$17,610,264	\$24,793,485

- (3) See "PROPERTY TAX INFORMATION - Utility Property Tax Replacement" herein.
(4) Based on 2015 Actual Valuation of \$802,224,689.

The following shows the trend in the City's tax extensions and collections.

Tax Extensions and Collections(1)

<u>Levy Year</u>	<u>Fiscal Year</u>	<u>Amount Levied</u>	<u>Amount Collected(2)</u>	<u>Percent Collected</u>
2011.....	2012-13.....	\$10,317,995	\$10,329,141	100.11%
2012.....	2013-14.....	10,535,094	10,482,871	99.50%
2013.....	2014-15.....	10,397,290	10,388,476	99.92%
2014.....	2015-16.....	10,329,114	10,317,745	99.89%
2015.....	2016-17.....	11,100,009	11,058,824	99.63%
2016.....	2017-18.....	11,436,367	11,388,008	99.58%
2017.....	2018-19.....	11,502,245	11,156,512	96.99%
2018.....	2019-20.....	12,004,303	11,396,732(3)	94.94%
2019.....	2020-21.....	12,285,038	12,558,330(3)	102.22%
2020.....	2021-22.....	12,483,630	- -In Collection - -	

- Notes: (1) Source: the State of Iowa Department of Management and the City. Does not include Levies or Collections for Utility Replacement or the City's tax increment finance district.
 (2) Includes delinquent taxes.
 (3) Due to the pandemic, the Governor extended the property tax due date from March 31 to July 31, 2020 and no penalties or interest would be incurred until that date.

Principal Taxpayers(1)

<u>Taxpayer Name</u>	<u>Business/Service</u>	<u>Levy Year 2020 Taxable Valuation(2)</u>
Interstate Power & Light Company	Utility	\$ 93,452,231
JBS USA, LLC.....	Meat Processing.....	21,345,218
Fisher Controls International.....	Manufacturing.....	19,269,765
Menards, Inc.....	Manufacturing & Retail Store	13,982,526
Unity Point Health Marshalltown	Health Care	11,403,738
Walmart.....	Retail Store.....	9,705,969
Lennox Manufacturing Inc.....	Manufacturing.....	7,420,118
ITC Midwest, LLC.....	Utility	6,271,487
Union Pacific Railroad	Railroad	4,818,120
Abilit Holdings Glenwood Place, LLC.....	Assisted Living Facility.....	4,660,427
Total		\$192,329,599
Ten Largest Taxpayers as Percent of City's 2020 Taxable Valuation (\$939,398,141)		20.47%

- Notes: (1) Source: the County.
 (2) Every effort has been made to seek out and report the largest taxpayers. However, many of the taxpayers listed contain multiple parcels and it is possible that some parcels and their valuations have been overlooked.

Levy Limits

Normal municipal operations and maintenance costs are generally funded through the corporate property tax levy. Iowa State Code does not allow the municipal general fund to be taxed above \$8.10 per thousand dollars of taxable value in any one year. In addition to the General Fund, there are several other tax funds that the City can create and use for specific purposes.

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The property tax rates for the City from levy year 2016 through levy year 2020 are shown below:

Property Tax Rates⁽¹⁾⁽²⁾
 (Per \$1,000 Actual Valuation)

	Fiscal Year: Levy Year:	2017/18 <u>2016</u>	2018/19 <u>2017</u>	2019/20 <u>2018</u>	2020/21 <u>2019</u>	2021/22 <u>2020</u>
City:						
General Fund		\$ 8.10000	\$ 8.10000	\$ 8.10000	\$ 8.10000	\$ 8.10000
Emergency Levy.....		0.27000	0.27000	0.27000	0.27000	0.27000
Debt Service Fund.....		3.61913	0.84653	0.99979	1.07205	1.04953
Employee Benefits		1.77860	4.45181	4.34652	4.34372	4.43710
Capital Improvement		0.67499	0.67500	0.67499	0.67500	0.67500
Other		<u>0.83886</u>	<u>0.93824</u>	<u>0.99304</u>	<u>0.92357</u>	<u>0.83000</u>
Total City.....		\$15.28158	\$15.28158	\$15.38434	\$15.38434	\$15.36163
Marshall County		\$ 6.71518	\$ 6.32150	\$ 6.01018	\$ 6.01018	\$ 6.20707
Marshalltown Community School District.....		17.94963	17.99365	18.33912	18.34688	18.13904
Iowa Valley Community College District		1.36842	0.99668	0.88409	1.58101	1.65540
Other		<u>0.38863</u>	<u>0.36181</u>	<u>0.36500</u>	<u>0.41850</u>	<u>0.41695</u>
Total Tax Rate.....		\$41.70344	\$40.95522	\$40.98273	\$41.74091	\$41.78009

- Notes: (1) Source: Iowa Department of Management.
 (2) Does not include the tax rate for agriculture.

Tax Levy Procedures

The Bonds are general obligations of the City, payable from and secured by a continuing ad valorem tax levied against all of the property valuation within the City. As part of the budgetary process each fiscal year, the City will have an obligation to request a debt service levy to be applied against all of the taxable property within the City. A failure on the part of the City to make a timely levy request or a levy request by the City that is inaccurate or is insufficient to make full payments of the debt service of the Bonds for a particular fiscal year may cause Bond holders to experience delay in the receipt of distributions of principal of and/or interest on the Bonds. In the event of a default in the payment of principal of or interest on the Bonds, there is no provision for acceleration of maturity of the principal of the Bonds. Consequently, the remedies of the owners of the Bonds (consisting primarily of an action in the nature of mandamus requiring the City and certain other public officials to perform the terms of the resolution for the Bonds) may have to be enforced from year to year.

Notwithstanding the foregoing, Iowa Code section 76.2 provides when an Iowa political subdivision issues general obligation bonds, “the governing authority of these political subdivisions before issuing bonds shall, by resolution, provide for the assessment of an annual levy upon all the taxable property in the political subdivision sufficient to pay the interest and principal of the bonds within a period named not exceeding twenty years. A certified copy of this resolution shall be filed with the county auditor or auditors of the counties in which the political subdivision is located; and the filing shall make it a duty of the auditor(s) to enter annually this levy for collection from the taxable property within the boundaries of the political subdivision until funds are realized to pay the bonds in full.”

Utility Property Tax Replacement

Property owned by entities involved primarily in the production, delivery, service and sale of electricity and natural gas (“Utilities”) pay a replacement tax based upon the delivery of energy by Utilities in lieu of property taxes. All replacement taxes are allocated among local taxing bodies by the State Department of Revenue and the Department of Management. This allocation is made in accordance with a general allocation formula developed by the Department of Management on the basis of general property tax equivalents. Utility properties paying the replacement tax are exempt from the levy of property tax by political subdivisions. In addition to the replacement tax, Utility property will continue to be valued by a special method as provided in the statute and taxed at the rate of three cents per one thousand dollars for the general fund of the State.

By statute, the replacement tax collected by the State and allocated among local taxing bodies (including the City) shall be treated as property tax when received and shall be disposed of by the county treasurer as taxes on real estate. It is possible that the general obligation debt capacity of the City could be adjudicated to be proportionately reduced in future years if Utility property were determined to be other than “taxable property” for purposes of computing the City’s debt limit under Article XI of the Constitution of the State of Iowa. There can be no assurance that future legislation will not (i) operate to reduce the amount of debt the City can issue or (ii) adversely affect the City’s ability to levy taxes in the future for the payment of the principal of and interest on its outstanding debt obligations, including the Bonds. Approximately 11% of the City’s levy year 2020 taxable valuation currently is utility property.

Tax Increment Financing

The Code of Iowa currently authorizes the use of two types of tax increment financing by local taxing districts in the State of Iowa. The first type allows local governments to establish TIF districts for the purposes of financing designated urban renewal projects which contribute to the urban redevelopment and economic development of the immediate area. The taxable valuation used for this type of TIF district in the City for levy year 2020 is \$939,398,141.

The second type of tax increment financing was authorized by state legislative action in the mid-1980’s. The area community colleges can establish TIF districts by contract with specific local businesses and industries to provide jobs training programming for new employees of existing expanding businesses or employees of new businesses. The revenues from these job training TIF districts then retires the debt incurred from the issuance of jobs training certificates which finance the cost of jobs training programming over a maximum of ten years. Upon payment of all jobs training certificates, the district dissolves and the incremental value from the new or expanded business reverts to the general tax base. There is no current valuation for this second type of TIF district.

Legislation

From time to time, legislative proposals are pending in Congress and the Iowa General Assembly that would, if enacted, alter or amend one or more of the property tax matters described herein. It cannot be predicted whether or in what forms any of such proposals, either pending or that may be introduced, may be enacted, and there can be no assurance that such proposals will not apply to valuation, assessment or levy procedures for taxes levied by the City or have an adverse impact on the future tax collections of the City. Purchasers of the Bonds should consult their tax advisors regarding any pending or proposed federal or state tax legislation. The opinions expressed by Bond Counsel are based upon existing legislation as of the date of issuance and delivery of the Bonds and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending federal or state tax legislation.

During the 2019 legislative session, the Iowa General Assembly enacted Senate File 634 (the “2019 Act”). This bill modifies the process for hearing and approval of the total maximum property tax dollars under certain levies in the county budget. The bill also includes a provision that will require the affirmative vote of 2/3 of the City Council when the maximum property tax dollars under these levies exceed an amount determined under a prescribed formula.

The 2019 Act does not change the process for hearing and approval of the Debt Service Levy pledged for repayment of the Bonds. It is too early to evaluate the affect the 2019 Act will have on the overall financial position of the City or its ability to fund essential services.

During the 2013 legislative session, the Iowa General Assembly enacted Senate File 295 (the “2013 Act”). Among other things, the Act (i) reduced the maximum annual taxable value growth percent, due to revaluation of existing residential and agricultural property to 3%, (ii) assigned a “rollback” (the percentage of a property’s value that is subject to tax) to commercial, industrial and railroad property of 90%, (iii) created a new property tax classification for multi-residential properties (apartments, nursing homes, assisted living facilities and certain other rental property) and assigned a declining rollback percentage to such properties for each year until the residential rollback percentage is reached in the 2022 assessment year, after which the rollback percentage for such properties will be equal to the residential rollback percentage each assessment year, and (iv) exempted a specified portion of the assessed value of telecommunication properties.

During the 2021 Iowa Legislative session, House File 418 was signed into law on March 8, 2021, applicable to valuations beginning January 1, 2022 (the “2021 Act”). HF418 removes the multi-residential property classification by reclassifying certain properties as subdivision of “residential” property. The multi-residential classification was created as part of the January 1, 2015 valuations, and became unnecessary due to the equalization of the residential and multi-residential classifications as of January 1, 2022.

The 2013 Act included a standing appropriation to replace some of the tax revenues lost by local governments due to the rollback. Iowa Code section 441.21A established this standing appropriation for reimbursement to local governments (backfill). However, SF 619, passed by the legislature on May 19, 2021 and subsequently signed into law by Governor Reynolds, phases out backfill payments beginning with fiscal years beginning on or after July 1, 2022. For cities and counties, the backfill is eliminated through annual reductions over five or eight years, depending on assessed valuation growth from 2012 to 2019. School district backfill payments will be eliminated after fiscal year 2022. Taxing authorities that are not schools, cities, or counties will have their backfill payments phased out over eight years. SF 619 also implements a tax credit for property owned by persons who are at least 70 years of age and whose annual household income is not more than 250% of the federal poverty level guidelines published by the U.S. Department of Health and Human Services. The expanded credit is available for claims filed on or after January 1, 2022. The expanded credit is exempt from the provisions of Iowa Code section 25B.7(1), which imposes a State requirement to fully fund changes to property tax credits. The legislation is anticipated to result in reduced property tax revenues as a result of the phased out property tax replacement claims and also due to expansion of the Elderly Property Tax Credit.

Notwithstanding any decrease in property tax revenues that may result from the 2013 Act, the 2019 Act or the 2021 Act or Senate File 619, the Bonds are secured by an unlimited ad valorem property tax as described more fully in the “**SECURITY AND SOURCE OF PAYMENT**” herein.

From time to time, other legislative proposals may be considered by the Iowa General Assembly that would, if enacted, alter or amend one or more of the property tax matters described in this Final Official Statement. It cannot be predicted whether or in what forms any of such proposals may be enacted, and there can be no assurance that such proposals will not apply to valuation, assessment or levy procedures for the levy of taxes by the City.

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FINANCIAL INFORMATION

Investment Policy

Each investment made by the City must be authorized by applicable law and the City's Investment Policy. Only the City Treasurer and City Administrator, as limited by a special City resolution, and others authorized by resolution of the City may invest City funds. The City Treasurer when investing or depositing public funds is required to exercise care, skill, prudence, and diligence.

Financial Reports

The City's financial statements are audited annually by certified public accountants. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. The accounting policies of the City conform to accounting principles generally accepted in the United States of America as applicable to governments. See **APPENDIX A** for more detail.

No Consent or Updated Information Requested of the Auditor

The tables and excerpts (collectively, the "Excerpted Financial Information") contained in this "**FINANCIAL INFORMATION**" section are from the audited financial statements of the City, including the audited financial statements for the fiscal year ended June 30, 2020 (the "2020 Audit"). The 2020 Audit has been prepared EideBailly, P.C., Certified Public Accountants, Dubuque, Iowa, (the "Auditor"), and received by the City Council. The City has not requested the Auditor to update information contained in the Excerpted Financial Information and the 2020 Audit; nor has the City requested that the Auditor consent to the use of the Excerpted Financial Information and the 2020 Audit in this Final Official Statement. The inclusion of the Excerpted Financial Information and the 2020 Audit in this Final Official Statement in and of itself is not intended to demonstrate the fiscal condition of the City since the date of the 2020 Audit. Questions or inquiries relating to financial information of the City since the date of the 2020 Audit should be directed to the City.

Summary Financial Information

The following tables are summaries and do not purport to be the complete audits, copies of which are available upon request. See **APPENDIX A** for the City's 2020 Audit. The City's expects its General Fund balance for the fiscal year ending June 30, 2021 to increase by approximately \$1,179,409. The City has approved a budget for fiscal year 2022 with an anticipated decrease to the General Fund balance of approximately \$62,000. To date, revenues and expenditures are generally within budgeted amounts.

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**Statement of Net Position
Governmental Activities(1)**

	Audited as of June 30				
	2016	2017	2018	2019	2020
Assets:					
Cash and Cash Equivalents.....	\$ 19,233,676	\$ 26,605,875	\$ 31,366,951	\$ 28,442,351	\$ 32,087,986
Receivables					
Property Taxes:					
Delinquent.....	103,928	116,944	106,690	159,143	221,295
Succeeding Year.....	12,034,777	12,552,215	12,777,819	13,541,388	13,952,661
Accounts and Unbilled Usage.....	733,888	272,505	379,945	316,230	334,896
Special Assessments.....	37,888	28,735	22,691	11,325	5,069
Due from Component Unit.....	13,223	13,355	10,543	9,669	13,132
Due from Other Governments.....	2,520,104	1,731,970	1,176,660	908,408	1,864,773
Inventories.....	115,380	134,370	108,688	9,930	38,250
Prepaid Items.....	275,975	323,946	308,782	309,682	340,551
Capital Assets					
Land.....	4,000,014	4,665,014	4,665,014	4,753,531	4,771,231
Land Improvements.....	2,476,257	2,583,059	2,661,109	2,661,109	3,337,450
Buildings and Structures.....	17,707,821	17,707,821	17,666,013	17,358,592	31,881,317
Equipment and Vehicles.....	16,899,577	17,046,381	17,023,927	17,447,455	18,678,781
Infrastructure.....	39,738,566	40,792,336	44,392,621	44,952,134	45,265,388
Construction in Progress.....	1,182,096	3,074,150	7,743,788	17,697,205	6,270,987
Accumulated Depreciation.....	<u>(39,140,202)</u>	<u>(41,434,434)</u>	<u>(43,367,637)</u>	<u>(45,398,420)</u>	<u>(47,491,793)</u>
Total Assets.....	<u>\$ 77,932,968</u>	<u>\$ 86,214,242</u>	<u>\$ 97,043,604</u>	<u>\$ 103,179,732</u>	<u>\$ 111,571,974</u>
Deferred Outflows of Resources:					
OPEB Related Deferred Outflows.....	\$ 0	\$ 0	\$ 171,204	\$ 1,099,321	\$ 2,190,160
Pension Related Deferred Outflows.....	<u>2,413,973</u>	<u>4,628,479</u>	<u>3,775,500</u>	<u>3,943,108</u>	<u>3,512,736</u>
Total Deferred Outflows of Resources.....	<u>\$ 2,413,973</u>	<u>\$ 4,628,479</u>	<u>\$ 3,946,704</u>	<u>\$ 5,042,429</u>	<u>\$ 5,702,896</u>
Liabilities:					
Accounts Payable.....	\$ 1,176,610	\$ 1,947,009	\$ 2,136,418	\$ 1,471,162	\$ 1,972,568
Accrued Payroll and Payroll Benefits.....	169,252	250,341	269,092	244,870	381,319
Retainage Payable.....	65,988	91,859	285,545	495,914	111,178
Deposits Payable.....	147,156	155,678	156,989	166,024	173,447
Due to Other Governments.....	123,866	111,375	179,988	113,191	119,649
Accrued Interest Payable.....	31,868	45,739	64,150	100,795	169,832
Noncurrent Liabilities:					
Due Within One Year					
Bonds and Notes Payable.....	2,716,447	3,684,361	3,348,761	3,358,486	3,353,486
Compensated Absences Payable.....	256,980	266,107	230,866	241,758	250,285
Due in More Than One Year					
Bonds and Notes Payable.....	16,835,192	20,183,972	29,723,035	28,734,897	31,004,278
Compensated Absences Payable.....	860,815	864,338	995,639	908,280	958,750
Net Pension Liability.....	10,158,993	13,402,626	12,407,249	12,808,440	12,784,910
Total OPEB Liability.....	<u>3,779,077</u>	<u>4,517,049</u>	<u>12,099,201</u>	<u>13,402,991</u>	<u>13,633,963</u>
Total Liabilities.....	<u>\$ 36,322,244</u>	<u>\$ 45,520,454</u>	<u>\$ 61,896,933</u>	<u>\$ 62,046,808</u>	<u>\$ 64,913,665</u>
Deferred Inflows of Resources:					
Succeeding Year Property Taxes.....	\$ 12,034,777	\$ 12,552,215	\$ 12,777,819	\$ 13,541,388	\$ 13,952,661
Pension Related Deferred Inflows.....	1,294,912	453,289	748,998	787,242	1,304,587
OPEB Related Deferred Inflows.....	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>831,104</u>
Total Deferred Inflows of Resources.....	<u>\$ 13,329,689</u>	<u>\$ 13,005,504</u>	<u>\$ 13,526,817</u>	<u>\$ 14,328,630</u>	<u>\$ 16,088,352</u>
Net Position:					
Net Investment in Capital Assets.....	\$ 34,132,724	\$ 35,605,495	\$ 37,973,695	\$ 39,411,094	\$ 41,349,928
Restricted for:					
Capital Improvements.....	10,281,063	8,244,518	6,373,088	8,547,182	9,074,627
Community Development.....	184,110	284,226	240,951	221,172	129,967
Debt Service.....	107,604	237,889	111,879	154,543	146,008
Employee Benefits.....	2,396,249	2,877,960	2,881,903	3,251,172	3,384,974
Emergency Communications.....	492,293	608,779	0	0	0
Other Purposes.....	3,345,316	3,358,869	3,542,203	4,141,993	5,440,645
Unrestricted.....	<u>(20,244,351)</u>	<u>(18,900,973)</u>	<u>(25,557,161)</u>	<u>(23,880,433)</u>	<u>(23,253,296)</u>
Total Net Position.....	<u>\$ 30,695,008</u>	<u>\$ 32,316,763</u>	<u>\$ 25,566,558</u>	<u>\$ 31,846,723</u>	<u>\$ 36,272,853</u>

Note: (1) Source: Audited financial statements of the City for the fiscal years ended June 30, 2016 through 2020.

**Statement of Activities
 Governmental Activities(1)**

	Audited for Year Ended June 30				
	2016	2017	2018	2019	2020
Functions/Programs:					
Governmental Activities:					
Public Safety	\$ (7,781,174)	\$ (9,493,551)	\$(10,763,566)	\$ (8,620,039)	\$(11,177,360)
Public Works	(880,391)	(3,352,764)	(1,211,455)	(1,304,762)	279,025
Health and Social Services	(307,071)	(92,948)	27,789	686,446	(405,859)
Culture and Recreation	(2,687,881)	(2,401,815)	(2,259,481)	154,136	(640,489)
Community and Economic Development	109,178	(897,964)	(737,057)	(1,179,831)	(1,562,320)
General Government	(1,034,934)	(392,869)	(1,457,924)	(1,386,637)	(938,371)
Interest on Long-Term Debt.....	(429,891)	(429,296)	(764,344)	(806,440)	(938,277)
Total Governmental Activities	<u>\$(13,012,164)</u>	<u>\$(17,061,207)</u>	<u>\$(17,166,038)</u>	<u>\$(12,457,127)</u>	<u>\$(15,383,651)</u>
General Revenues:					
Taxes:					
Property	\$ 9,534,568	\$ 10,156,476	\$ 10,510,365	\$ 10,611,119	\$ 10,834,252
Tax Increment Financing	1,276,898	435,098	164,523	814,444	578,569
Local Options Sales.....	4,248,087	3,476,514	3,121,920	3,330,991	4,003,548
Utility Excise	903,826	938,662	1,105,221	1,287,287	1,647,405
Hotel/Motel	542,180	479,576	403,116	567,559	469,544
Mobile Homes	12,931	17,682	28,612	13,554	12,399
Unrestricted:					
State Generated Revenues	1,244,225	1,384,158	1,331,709	1,353,217	1,284,875
Investment Earnings	90,717	113,371	456,079	678,426	655,282
Miscellaneous Revenues	551,452	645,749	561,844	297,453	331,183
Transfers	(441,321)	1,035,676	(49,377)	(216,758)	(7,276)
Total General Revenues and Transfers	<u>\$ 17,963,563</u>	<u>\$ 18,682,962</u>	<u>\$ 17,634,012</u>	<u>\$ 18,737,292</u>	<u>\$ 19,809,781</u>
Change In Net Position.....	\$ 4,951,399	\$ 1,621,755	\$ 467,974	\$ 6,280,165	\$ 4,426,130
Net Position - Beginning	<u>\$ 25,743,609</u>	<u>\$ 30,695,008</u>	<u>\$ 25,098,584(2)</u>	<u>\$ 25,566,558</u>	<u>\$ 31,846,723</u>
Net Position - Ending.....	<u>\$ 30,695,008</u>	<u>\$ 32,316,763</u>	<u>\$ 25,566,558</u>	<u>\$ 31,846,723</u>	<u>\$ 36,272,853</u>

Notes: (1) Source: Audited financial statements of the City for the fiscal years ended June 30, 2016 through 2020.
 (2) Restated due to GASB 68 implementation.

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**Balance Sheet
 General Fund(1)**

	Audited as of June 30				
	2016	2017	2018	2019	2020
Assets:					
Cash and Cash Equivalents.....	\$ 3,395,312	\$ 3,712,289	\$ 4,404,578	\$ 4,723,539	\$ 4,830,940
Receivables					
Property Taxes:					
Delinquent.....	54,452	64,677	62,339	85,168	122,100
Succeeding Year.....	7,016,662	7,336,744	7,550,859	7,999,133	8,179,700
Accounts and Unbilled Usage.....	191,908	188,653	121,747	141,307	209,957
Due from Other Funds.....	99,211	25,874	8,353	57,438	294,411
Due from Component Unit.....	13,223	13,355	10,543	9,669	13,132
Due from Other Governments.....	228,597	279,883	137,151	152,778	123,999
Prepaid Items.....	221,785	266,203	256,518	284,681	323,334
Total Assets.....	<u>\$11,221,150</u>	<u>\$11,887,678</u>	<u>\$12,552,088</u>	<u>\$13,453,713</u>	<u>\$14,097,573</u>
Liabilities, Deferred Inflows of Resources, And Fund Balances:					
Liabilities:					
Accounts Payable.....	\$ 112,878	\$ 245,086	\$ 215,255	\$ 132,443	\$ 158,155
Accrued Payroll and Payroll Benefits.....	159,689	236,408	258,411	233,957	366,581
Retainage Payable.....	0	2,770	0	0	0
Due to Other Governments.....	114,214	98,533	101,679	97,214	116,811
Total Liabilities.....	<u>\$ 386,781</u>	<u>\$ 582,797</u>	<u>\$ 575,345</u>	<u>\$ 463,614</u>	<u>\$ 641,547</u>
Deferred Inflows of Resources:					
Unavailable Revenue - Property Taxes.....	\$ 7,016,662	\$ 7,336,744	\$ 7,550,859	\$ 7,999,133	\$ 8,179,700
Unavailable Revenue - Other.....	99,158	37,185	21,261	25,543	70,676
Unavailable Revenue - Intergovernmental.....	0	50,770	12,219	26,297	0
Total Deferred Inflows of Resources.....	<u>\$ 7,115,820</u>	<u>\$ 7,424,699</u>	<u>\$ 7,584,339</u>	<u>\$ 8,050,973</u>	<u>\$ 8,250,376</u>
Fund Balances:					
Nonspendable.....	\$ 221,785	\$ 266,203	\$ 256,518	\$ 284,681	\$ 323,334
Restricted.....	725,844	812,092	932,307	581,566	425,925
Committed.....	250,000	250,000	250,000	250,000	250,000
Unassigned.....	2,520,920	2,551,887	2,953,579	3,822,879	4,206,391
Total Fund Balances.....	<u>\$ 3,718,549</u>	<u>\$ 3,880,182</u>	<u>\$ 4,392,404</u>	<u>\$ 4,939,126</u>	<u>\$ 5,205,650</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances.....	<u>\$11,221,150</u>	<u>\$11,887,678</u>	<u>\$12,552,088</u>	<u>\$13,453,713</u>	<u>\$14,097,573</u>

Note: (1) Source: Audited financial statements of the City for the fiscal years ended June 30, 2016 through 2020.

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**Statement of Revenues, Expenditures and Changes in Fund Balances
General Fund(1)**

	Audited Fiscal Year Ended June 30				
	2016	2017	2018	2019	2020
Revenues:					
Property Taxes	\$ 5,541,436	\$ 5,923,793	\$ 6,140,079	\$ 6,270,127	\$ 6,398,640
Other City Taxes	1,308,014	1,253,732	1,264,471	1,541,378	1,655,123
Use of Money and Property	98,862	136,919	226,643	336,767	335,356
Licenses and Permits	289,261	285,839	238,263	395,611	295,022
Intergovernmental	1,263,374	1,327,827	1,195,623	985,762	990,904
Charges for Service	958,113	974,800	953,243	881,447	830,076
Miscellaneous	200,544	121,109	141,494	328,455	185,605
Total Revenue	<u>\$ 9,659,604</u>	<u>\$10,024,019</u>	<u>\$10,159,816</u>	<u>\$10,739,547</u>	<u>\$10,690,726</u>
Expenditures:					
Current:					
Public Safety	\$ 8,472,255	\$ 8,980,687	\$ 9,176,117	\$ 8,758,398	\$ 8,952,688
Public Works	1,690,083	1,766,272	1,758,430	1,672,000	1,877,718
Health and Social Services	409,924	33,535	53,432	11,883	2,251
Culture and Recreation	2,448,957	2,688,511	2,700,549	2,514,012	2,901,123
Community and Economic Development	122,437	400,499	408,390	488,806	610,031
General Government	1,185,537	1,462,058	1,425,349	1,422,342	1,379,902
Debt Service	11,991	25,690	10,875	10,275	0
Total Expenditures	<u>\$14,341,184</u>	<u>\$15,357,252</u>	<u>\$15,533,142</u>	<u>\$14,877,716</u>	<u>\$15,723,713</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures:	<u>\$ (4,681,580)</u>	<u>\$ (5,333,233)</u>	<u>\$ (5,373,326)</u>	<u>\$ (4,138,169)</u>	<u>\$ (5,032,987)</u>
Other Financing Sources (Uses):					
Transfers In(2)	\$ 5,023,228	\$ 5,670,383	\$ 6,085,714	\$ 5,435,271	\$ 5,644,675
Transfers Out	(176,862)	(175,517)	(200,166)	(750,380)	(345,164)
Total Other Financing Sources (Uses)	<u>\$ 4,846,366</u>	<u>\$ 5,494,866</u>	<u>\$ 5,885,548</u>	<u>\$ 4,684,891</u>	<u>\$ 5,299,511</u>
Net Change in Fund Balances	\$ 164,786	\$ 161,633	\$ 512,222	\$ 546,722	\$ 266,524
Fund Balances - Beginning	<u>\$ 3,553,763</u>	<u>\$ 3,718,549</u>	<u>\$ 3,880,182</u>	<u>\$ 4,392,404</u>	<u>\$ 4,939,126</u>
Fund Balances - Ending	<u>\$ 3,718,549</u>	<u>\$ 3,880,182</u>	<u>\$ 4,392,404</u>	<u>\$ 4,939,126</u>	<u>\$ 5,205,650</u>

- Notes: (1) Source: Audited financial statements of the City for the fiscal years ended June 30, 2016 through 2020.
(2) Property taxes are transferred in from a special revenue tax fund to offset the employee benefits that are expensed through the General Fund.

REGISTRATION, TRANSFER AND EXCHANGE

See also **APPENDIX B - BOOK-ENTRY SYSTEM** for information on registration, transfer and exchange of book-entry bonds. The Bonds will be initially issued as book-entry bonds.

The City shall cause books (the “Bond Register”) for the registration and for the transfer of the Bonds to be kept at the principal office maintained for the purpose by the Bond Registrar in West Des Moines, Iowa. The City will authorize to be prepared, and the Bond Registrar shall keep custody of, multiple bond blanks executed by the City for use in the transfer and exchange of Bonds.

Any Bond may be transferred or exchanged, but only in the manner, subject to the limitations, and upon payment of the charges as set forth in the Bond Resolution. Upon surrender for transfer or exchange of any Bond at the principal office maintained for the purpose by the Bond Registrar, duly endorsed by, or accompanied by a written instrument or instruments of transfer in form satisfactory to the Bond Registrar and duly executed by the registered owner or such owner’s attorney duly authorized in writing, the City shall execute and the Bond Registrar shall authenticate, date and deliver in the name of the registered owner, transferee or transferees (as the case may be) a new fully registered Bond or Bonds of the same maturity and interest rate of authorized denominations, for a like aggregate principal amount.

The execution by the City of any fully registered Bond shall constitute full and due authorization of such Bond, and the Bond Registrar shall thereby be authorized to authenticate, date and deliver such Bond, provided, however, the principal amount of outstanding Bonds of each maturity authenticated by the Bond Registrar shall not exceed the authorized principal amount of Bonds for such maturity less Bonds previously paid.

The Bond Registrar shall not be required to transfer or exchange any Bond following the close of business on the fifteenth day of the month next preceding an interest payment date on such bond (known as the record date), nor to transfer or exchange any Bond after notice calling such Bond for redemption has been mailed, nor during a period of fifteen days next preceding mailing of a notice of redemption of any Bonds.

The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of the principal of or interest on any Bonds shall be made only to or upon the order of the registered owner thereof or such owner's legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

No service charge shall be made for any transfer or exchange of Bonds, but the City or the Bond Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds except in the case of the issuance of a Bond or Bonds for the unredeemed portion of a bond surrendered for redemption.

TAX EXEMPTION AND RELATED TAX MATTERS

Federal Income Tax Exemption

The opinion of Bond Counsel will state that under present laws and rulings, interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed under the Code.

The opinions set forth in the preceding sentence will be subject to the condition that the City comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income for federal income tax purposes to be retroactive to the date of issuance of the Bonds. In the Resolution authorizing the issuance of the Bonds, the City will covenant to comply with all such requirements.

There may be certain other federal tax consequences to the ownership of the Bonds by certain taxpayers, including without limitation, corporations subject to the branch profit tax, financial institutions, certain insurance companies, certain S corporations, individual recipients of Social Security and Railroad Retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax-exempt obligations. Bond Counsel will express no opinion with respect to other federal tax consequences to owners of the Bonds. Prospective purchasers of the Bonds should consult with their tax advisors as to such matters.

Proposed Changes in Federal and State Tax Law

From time to time, there are Presidential proposals, proposals of various federal committees, and legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to herein or adversely affect the marketability or market value of the Bonds or otherwise prevent holders of the Bonds from realizing the full benefit of the tax exemption of interest on the Bonds. Further, such proposals may impact the marketability or market value of the Bonds simply by being proposed. No prediction is made whether such provisions will be enacted as proposed or concerning other future legislation affecting the tax treatment of interest on the Bonds. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value, marketability or tax exempt status of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds would be impacted thereby.

Purchasers of the Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any proposed or pending legislation, regulatory initiatives or litigation.

Qualified Tax-Exempt Obligations

In the Resolution authorizing the issuance of the Bonds, the City will designate the Bonds as “qualified tax exempt obligations” within the meaning of Section 265(b)(3) of the Code relating to the ability of financial institutions to deduct from income for federal income tax purposes a portion of the interest expense that is allocable to tax-exempt obligations. In the opinion of Bond Counsel, the Bonds are “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code.

Original Issue Premium

The Bonds maturing in the years 2023 – 2034 are being issued at a premium to the principal amount payable at maturity. Except in the case of dealers, which are subject to special rules, Bondholders who acquire the Bonds at a premium must, from time to time, reduce their federal tax bases for the Bonds for purposes of determining gain or loss on the sale or payment of such Bonds. Premium generally is amortized for federal income tax purposes on the basis of a bondholder’s constant yield to maturity or to certain call dates with semiannual compounding. Bondholders who acquire any Bonds at a premium might recognize taxable gain upon sale of the Bonds, even if such Bonds are sold for an amount equal to or less than their original cost. Amortized premium is not deductible for federal income tax purposes. Bondholders who acquire any Bonds at a premium should consult their tax advisors concerning the calculation of bond premium and the timing and rate of premium amortization, as well as the state and local tax consequences of owning and selling the Bonds acquired at a premium.

CONTINUING DISCLOSURE

For the purpose of complying with Rule 15c2-12 of the Securities Exchange Commission, as amended and interpreted from time to time (the “Rule”), the City will covenant and agree, for the benefit of the registered holders or beneficial owners from time to time of the outstanding Bonds to provide reports of specified information and notice of the occurrence of certain events, as hereinafter described (the “Disclosure Covenants”). The information to be provided on an annual basis, and the events as to which notice is to be given, is set forth in “**APPENDIX D – Form of Continuing Disclosure Certificate**”. This covenant is being made by the City to assist the Underwriter(s) in complying with the Rule.

Breach of the Disclosure Covenants will not constitute a default or an “Event of Default” under the Bonds or Resolution, respectively. A broker or dealer is to consider a known breach of the Disclosure Covenants, however, before recommending the purchase or sale of the Bonds in the secondary market. Thus, a failure on the part of the City to observe the Disclosure Covenants may adversely affect the transferability and liquidity of the Bonds and their market price.

Pursuant to the Rule, in the last five years, the City believes it has complied in all material respects with regard to its prior Disclosure Covenants.

Bond Counsel expresses no opinion as to whether the Disclosure Covenants comply with the requirements of Section (b)(5) of the Rule.

OPTIONAL REDEMPTION

Bonds due June 1, 2023 - 2029 inclusive, are not subject to optional redemption. Bonds due June 1, 2030 - 2034, inclusive, are callable in whole or in part on any date on or after June 1, 2029, at a price of par and accrued interest. If selection by lot within a maturity is required, the Registrar shall designate the Bonds to be redeemed by random selection of the names of the registered owners of the entire annual maturity until the total amount of Bonds to be called has been reached.

If less than all of the maturity is called for redemption, the City will notify DTC of the particular amount of such maturity to be redeemed prior to maturity. DTC will determine by lot the amount of each Participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interests in such maturity to be redeemed.

Thirty days' written notice of redemption shall be given to the registered owner of the Bond. Failure to give written notice to any registered owner of the Bonds or any defect therein shall not affect the validity of any proceedings for the redemption of the Bonds. All Bonds or portions thereof called for redemption will cease to bear interest after the specified redemption date, provided funds for their redemption are on deposit at the place of payment. Written notice will be deemed completed upon transmission to the owner of record.

LITIGATION

There is no litigation of any nature now pending or threatened restraining or enjoining the issuance, sale, execution or delivery of the Bonds, or in any way contesting or affecting the validity of the Bonds or any proceedings of the City taken with respect to the issuance or sale thereof. There is no litigation now pending, or to the knowledge of the City, threatened against the City that is expected to materially impact the financial condition of the City.

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Bonds and with regard to the tax-exempt status of the interest thereon (see "**TAX EXEMPTION AND RELATED TAX MATTERS**" herein) are subject to the approving legal opinion of Dorsey & Whitney LLP, Des Moines, Iowa, Bond Counsel, a form of which is attached hereto as **APPENDIX C**. Signed copies of the opinion, dated and premised on law in effect as of the date of original delivery of the Bonds, will be delivered to the Underwriter at the time of such original delivery. The Bonds are offered subject to prior sale and to the approval of legality of the Bonds by Bond Counsel.

The legal opinion to be delivered will express the professional judgment of Bond Counsel and by rendering a legal opinion, Bond Counsel does not become an insurer or guarantor of the result indicated by that expression of professional judgment or of the transaction or the future performance of the parties to the transaction.

Bond Counsel has not been engaged, nor has it undertaken, to prepare or to independently verify the accuracy of the Final Official Statement, including but not limited to financial or statistical information of the City and risks associated with the purchase of the Bonds, except Bond Counsel has reviewed the information and statements contained in the Final Official Statement under, "**TAX EXEMPTION AND RELATED TAX MATTERS**" and "**LEGAL MATTERS**", insofar as such statements contained under such captions purport to summarize certain provisions of the Internal Revenue Code of 1986, the Bonds and any opinions rendered by Bond Counsel. Bond Counsel has prepared the documents contained in **APPENDIX C** and **APPENDIX D**.

FINAL OFFICIAL STATEMENT AUTHORIZATION

This Final Official Statement has been authorized for distribution to prospective purchasers of the Bonds. All statements, information, and statistics herein are believed to be correct but are not guaranteed by the consultants or by the City, and all expressions of opinion, whether or not so stated, are intended only as such.

This Final Official Statement is not to be construed as a contract or agreement amongst the City, the Underwriter, or the holders of any of the Bonds. Any statements made in this Final Official Statement involving matters of opinion, whether or not expressly so stated, are intended merely as opinions and not as representations of fact. The information and expressions of opinions contained herein are subject to change without notice and neither the delivery of this Final Official Statement or the sale of the Bonds made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City since the date hereof. The information contained in this Final Official Statement is not guaranteed.

INVESTMENT RATING

The Bonds have been rated “Aa2” by Moody’s Investors Service, New York, New York. The City has supplied certain information and material concerning the Bonds and the City to the rating service shown on the cover page, including certain information and materials which may not have been included in this Final Official Statement, as part of its application for an investment rating on the Bonds. A rating reflects only the views of the rating agency assigning such rating and an explanation of the significance of such rating may be obtained from such rating agency. Generally, such rating service bases its rating on such information and material, and also on such investigations, studies and assumptions that it may undertake independently. There is no assurance that such rating will continue for any given period of time or that it may not be lowered or withdrawn entirely by such rating service if, in its judgment, circumstances so warrant. Any such downward change in or withdrawal of such rating may have an adverse effect on the secondary market price of the Bonds. An explanation of the significance of the investment rating may be obtained from the rating agency: Moody’s Investors Service, 7 World Trade Center at 250 Greenwich Street, New York, New York 10007, telephone 212-553-1658.

UNDERWRITING

The Bonds were offered for sale by the City at a public, competitive sale on Monday, November 8, 2021. The best bid submitted at the sale was submitted by Robert W. Baird & Co., Inc., Milwaukee, Wisconsin (the “Underwriter”). The City awarded the contract for sale of the Bonds to the Underwriter at a price of \$9,530,159.66 (reflecting the par amount of \$9,130,000.00, plus a reoffering premium of \$477,456.80, and less an Underwriter’s discount of \$77,297.14). The Underwriter has represented to the City that the Bonds have been subsequently re-offered to the public initially at the yields or prices set forth in the Final Official Statement.

MUNICIPAL ADVISOR

The City has engaged Speer Financial, Inc. as municipal advisor (the “Municipal Advisor”) in connection with the issuance and sale of the Bonds. The Municipal Advisor is a Registered Municipal Advisor in accordance with the rules of the MSRB. The Municipal Advisor will not participate in the underwriting of the Bonds. The financial information included in the Final Official Statement has been compiled by the Municipal Advisor. Such information does not purport to be a review, audit or certified forecast of future events and may not conform with accounting principles applicable to compilations of financial information. The Municipal Advisor is not a firm of certified public accountants and does not serve in that capacity or provide accounting services in connection with the Bonds. The Municipal Advisor is not obligated to undertake any independent verification of or to assume any responsibility for the accuracy, completeness or fairness of the information contained in this Final Official Statement, nor is the Municipal Advisor obligated by the City’s continuing disclosure undertaking.

MISCELLANEOUS

Brief descriptions or summaries of the City, the Bonds, the Resolution and other documents, agreements and statutes are included in this Final Official Statement. The summaries or references herein to the Bonds, the Resolution and other documents, agreements and statutes referred to herein, and the description of the Bonds included herein, do not purport to be comprehensive or definitive, and such summaries, references and descriptions are qualified in their entirety by reference to such documents, and the description herein of the Bonds is qualified in its entirety by reference to the form thereof and the information with respect thereto included in the aforesaid documents. Copies of such documents may be obtained from the City.

Any statements in this Final Official Statement involving matters of opinion or estimates, whether or not expressly so stated, are intended as such and not as representations of fact, and no representation is made that any of the estimates will be realized. This Final Official Statement is not to be construed as a contract or agreement between the City and the purchasers or Owners of any of the Bonds.

The attached **APPENDICES A, B, C, and D** are integral parts of this Final Official Statement and must be read together with all of the foregoing statements.

It is anticipated that CUSIP identification numbers will be printed on the Bonds, but neither the failure to print such numbers on any Bonds nor any error in the printing of such numbers shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for any Bonds.

The City has reviewed the information contained herein which relates to it and has approved all such information for use within this Final Official Statement. The execution and delivery of this Final Official Statement has been duly authorized by the City.

/s/ **DIANA STEINER**
Finance Director
CITY OF MARSHALLTOWN
Marshall County, Iowa

/s/ **JOEL GREER**
Mayor
CITY OF MARSHALLTOWN
Marshall County, Iowa

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APPENDIX A

**CITY OF MARSHALLTOWN
MARSHALL COUNTY, IOWA**

FISCAL YEAR 2020 COMPREHENSIVE ANNUAL FINANCIAL REPORT

APPENDIX B

DESCRIBING BOOK-ENTRY-ONLY ISSUANCE

1. The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Bonds (the “Securities”). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for each issue of the Securities, each in the aggregate principal amount of such issue, and will be deposited with DTC.

2. DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a S&P Global Ratings rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC’s records. The ownership interest of each actual purchaser of each Security (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to any Tender/Remarketing Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to any Tender/Remarketing Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to any Tender/Remarketing Agent's DTC account.

10. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to the City or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

11. The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

APPENDIX C

DRAFT FORM OF BOND COUNSEL OPINION

We hereby certify that we have examined certified copies of the proceedings (the “Proceedings”) of the City Council of the City of Marshalltown (the “Issuer”), in Marshall County, Iowa, passed preliminary to the issue by the Issuer of its General Obligation Corporate Purpose Bonds, Series 2021 (the “Bonds”) in the amount of \$9,130,000, in the denomination of 5,000 each, or any integral multiple thereof, dated December 14, 2021, in evidence of the Issuer’s obligation under a certain loan agreement (the “Loan Agreement”), dated as of December 14, 2021. The Bonds mature on June 1 in each of the respective years and in the principal amounts and bear interest payable semiannually on June 1 and December 1 in each year, commencing December 1, 2022, at the respective rates as follows:

<u>Date</u>	<u>Principal</u>	<u>Interest Rate</u>	<u>Date</u>	<u>Principal</u>	<u>Interest Rate</u>
2023	\$600,000	___%	2029	\$775,000	___%
2024	\$695,000	___%	2030	\$795,000	___%
2025	\$710,000	___%	2031	\$810,000	___%
2026	\$725,000	___%	2032	\$825,000	___%
2027	\$740,000	___%	2033	\$840,000	___%
2028	\$755,000	___%	2034	\$860,000	___%

Principal of the Bonds maturing in the years 2030 through 2034, inclusive, is subject to optional redemption prior to maturity on June 1, 2029, or on any date thereafter on terms of par plus accrued interest.

Based upon our examination, we are of the opinion, as of the date hereof, that:

1. The Proceedings show lawful authority for such issue under the laws of the State of Iowa.
2. The Bonds and the Loan Agreement are valid and binding general obligations of the Issuer.
3. All taxable property within the corporate boundaries of the Issuer is subject to the levy of taxes to pay the principal of and interest on the Bonds without constitutional or statutory limitation as to rate or amount.
4. The interest on the Bonds (including any original issue discount properly allocable to an owner thereof) is excluded from gross income for federal income tax purposes and is not treated as a preference item in calculating the federal alternative minimum tax imposed under the Internal Revenue Code of 1986 (the “Code”). The opinions set forth in the preceding sentence are subject to the condition that the Issuer comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The Issuer has covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of interest on the Bonds in gross income for federal income tax purposes to be retroactive to the date of issuance of the Bonds.
5. The Bonds are “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code. The opinion set forth in the preceding sentence is subject to the condition that the Issuer comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that the Bonds be, or continue to be, qualified tax-exempt obligations. The Issuer has covenanted to comply with each such requirement.

We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

The rights of the owners of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors’ rights heretofore or hereafter enacted to the extent constitutionally applicable, and their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

DORSEY & WHITNEY LLP

***This form of bond counsel opinion is subject to change pending the results of the sale of the Bonds contemplated herein.**

APPENDIX D

DRAFT CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by the City of Marshalltown, Iowa (the “Issuer”), in connection with the issuance of \$9,130,000 General Obligation Corporate Purpose Bonds, Series 2021 (the “Bonds”), dated December 14, 2021. The Bonds are being issued pursuant to resolution of the Issuer approved on November 22, 2021 (the “Resolution”). The Issuer covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriters in complying with S.E.C. Rule 15c2-12.

Section 2. Definitions. In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“Beneficial Owner” shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

“Dissemination Agent” shall mean the Dissemination Agent, if any, designated in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation.

“EMMA” shall mean the MSRB’s Electronic Municipal Market Access system available at <http://emma.msrb.org>.

“Financial Obligation” shall mean a (i) debt obligation, (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or, (iii) guarantee of either (i) or (ii). The term “Financial Obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB pursuant to the Rule.

“Holders” shall mean the registered holders of the Bonds, as recorded in the registration books of the Registrar.

“Listed Events” shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

“Municipal Securities Rulemaking Board” or “MSRB” shall mean the Municipal Securities Rulemaking Board, 1300 I Street NW, Suite 1000, Washington, DC 20005.

“Participating Underwriter” shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“Rule” shall mean Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“State” shall mean the State of Iowa.

Section 3. Provision of Annual Reports.

(a) Not later than June 30 (the “Submission Deadline”) of each year following the end of the 2020-2021 fiscal year, the Issuer shall, or shall cause the Dissemination Agent (if any) to, file on EMMA an electronic copy of its Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate in a format and accompanied by such identifying information as prescribed by the MSRB. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report and later than the Submission Deadline if they are not available by that date. If the Issuer’s fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(c), and the Submission Deadline beginning with the subsequent fiscal year will become one year following the end of the changed fiscal year.

(b) If the Issuer has designated a Dissemination Agent, then not later than fifteen (15) business days prior to the Submission Deadline, the Issuer shall provide the Annual Report to the Dissemination Agent.

(c) If the Issuer is unable to provide an Annual Report by the Submission Deadline, in a timely manner thereafter, the Issuer shall, or shall cause the Dissemination Agent (if any) to, file a notice on EMMA stating that there has been a failure to provide an Annual Report on or before the Submission Deadline.

Section 4. Content of Annual Reports. The Issuer’s Annual Report shall contain or include by reference the following:

(a) The **audited financial statements** of the Issuer for the prior fiscal year, prepared in accordance with generally accepted accounting principles promulgated by the Financial Accounting Standards Board as modified in accordance with the governmental accounting standards promulgated by the Governmental Accounting Standards Board or as otherwise provided under State law, as in effect from time to time, or, if and to the extent such audited financial statements have not been prepared in accordance with generally accepted accounting principles, noting the discrepancies therefrom and the effect thereof. If the Issuer’s audited financial statements are not available by the Submission Deadline, the Annual Report shall contain unaudited financial information (which may include any annual filing information required by State law) accompanied by a notice that the audited financial statements are not yet available, and the audited financial statements shall be filed on EMMA when they become available.

(b) Tables, schedules or other information contained in the official statement for the Bonds, under the following captions:

- **Debt Information**
- **Property Assessment and Tax Information**
- **Financial Information**

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the Issuer or related public entities, which are available on EMMA or are filed with the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available on EMMA. The Issuer shall clearly identify each such other document so included by reference.

Section 5. Reporting of Significant Events

(a) Pursuant to the provisions of this Section 5, the Issuer shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds:

- (1) Principal and interest payment delinquencies.
- (2) Non-payment related defaults, if material.

(3) Unscheduled draws on debt service reserves reflecting financial difficulties.

(4) Unscheduled draws on credit enhancements reflecting financial difficulties.

(5) Substitution of credit or liquidity providers, or their failure to perform.

(6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security.

(7) Modifications to rights of security holders, if material.

(8) Bond calls, if material, and tender offers.

(9) Defeasances.

(10) Release, substitution, or sale of property securing repayment of the securities, if material.

(11) Rating changes.

(12) Bankruptcy, insolvency, receivership or similar event of the obligated person.

Note to paragraph (12): For the purposes of the event identified in subparagraph (12), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(13) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.

(14) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

(15) Incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material.

(16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

(b) If a Listed Event described in Section 5(a) paragraph (2), (7), (8) (but only with respect to bond calls under (8)), (10), (13), (14), or (15) has occurred and the Issuer has determined that such Listed Event is material under applicable federal securities laws, the Issuer shall, in a timely manner but not later than ten business days after the occurrence of such Listed Event, promptly file, or cause to be filed, a notice of such occurrence on EMMA, with such notice in a format and accompanied by such identifying information as prescribed by the MSRB.

(c) If a Listed Event described in Section 5(a) paragraph (1), (3), (4), (5), (6), (8) (but only with respect to tender offers under (8)), (9), (11), (12), or (16) above has occurred the Issuer shall, in a timely manner but not later than ten business days after the occurrence of such Listed Event, promptly file, or cause to be filed, a notice of such occurrence on EMMA, with such notice in a format and accompanied by such identifying information as prescribed by the MSRB. Notwithstanding the foregoing, notice of Listed Events described in Section (5)(a) paragraphs (8) and (9) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Holders of affected Bonds pursuant to the Resolution.

Section 6. Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds or upon the Issuer's receipt of an opinion of nationally recognized bond counsel to the effect that, because of legislative action or final judicial action or administrative actions or proceedings, the failure of the Issuer to comply with the terms hereof will not cause Participating Underwriters to be in violation of the Rule or other applicable requirements of the Securities Exchange Act of 1934, as amended.

Section 7. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or Annual Report prepared by the Issuer pursuant to this Disclosure Certificate. The initial Dissemination Agent shall be Speer Financial, Inc.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) (i) the amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted; (ii) the undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and (iii) the amendment or waiver either (1) is approved by a majority of the Holders, or (2) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners; or

(b) the amendment or waiver is necessary to comply with modifications to or interpretations of the provisions of the Rule as announced by the Securities and Exchange Commission.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the Issuer shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing audited financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(c), and (ii) the Annual Report for the year in which the change is made will present a comparison or other discussion in narrative form (and also, if feasible, in quantitative form) describing or illustrating the material differences between the audited financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate, any Holder or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Certificate. Direct, indirect, consequential and punitive damages shall not be recoverable by any person for any default hereunder and are hereby waived to the extent permitted by law. A default under this Disclosure Certificate shall not be deemed an event of default under the Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

Section 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent, if any, shall have only such duties as are specifically set forth in this Disclosure Certificate, and the Issuer agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the Issuer under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

Section 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Participating Underwriters and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Dated: December 14, 2021

CITY OF MARSHALLTOWN, IOWA

By _____
Mayor

Attest:

By _____
City Clerk